
GOVERNMENT OF INDIA (GoI) FULLY SERVICED BONDS SERIES-II



RURAL ELECTRIFICATION CORPORATION LIMITED

(A Government of India Enterprise)

Regd. Office: Core-4, SCOPE Complex, 7 Lodi Road, New Delhi 110003

Tel.: +91-11 41020101; Facsimile: +91-112436 9849;

E-mail: reccorp@recl.nic.in

Website: www.recindia.com & www.recindia.nic.in

CIN No. – L40101DL1969GOI005095

FOR PRIVATE CIRCULATION ONLY

This Private Placement Offer Letter is issued in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debenture) Rules 31st, 2014, Circular No. RBI/2014-15/475DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on “Raising Money through Private Placement by NBFCs-Non-Convertible Debentures (NCDs) by NBFCs”

PRIVATE PLACEMENT OFFER LETTER DATED 23rd MARCH, 2018

PRIVATE PLACEMENT OFFER LETTER FOR PRIVATE PLACEMENT OF UNSECURED, REDEEMABLE, NON-CONVERTIBLE, NON-CUMULATIVE, TAXABLE BONDS IN THE NATURE OF DEBENTURES OF FACE VALUE OF ₹ 10 LACS FOR “GOVERNMENT OF INDIA (GoI) FULLY SERVICED BONDS SERIES-II” FOR CASH AT PAR FOR ₹ 1,000 CRORES WITH OPTION TO RETAIN OVERSUBSCRIPTION UP TO RS. 1,163 CRORES AGGREGATING TO Rs. 2163 CRORES.

NEITHER THE ISSUER NOR ANY OF THE CURRENT DIRECTORS OF THE ISSUER HAS BEEN DECLARED AS WILFUL DEFAULTER.

TRUSTEE FOR THE BONDHOLDERS SBICAP TRUSTEE COMPANY LIMITED	REGISTRAR TO THE ISSUE KARVY COMPUTERSHARE PRIVATE LIMITED
Registered Office: 202, Maker Tower – ‘E’, Cuffe Parade, Colaba, Mumbai 400 005; and Apeejay House, 6th floor, 3, West Wing, Dinshaw Wachha Road, Churchgate, Mumbai 400 020	Registered Office: Karvy Selenium Tower B, Plot No. 31-32, Gachibowli Financial District Nanakramguda, Hyderabad Tel: +91 40 6716 2222; Facsimile: +91 40 2343 1551; Contact Person: Sh. S. P. Venugopal, DGM (Corp. Reg.) Email: venu.sp@karvy.com SEBI Registration No.: INR000000221
Also having one of the offices at: 424-425, 4th Floor, World Trade Centre, Babar lane, New Delhi – 110001	

ISSUE PROGRAMME

ISSUE OPENS ON: 26th March, 2018

ISSUE CLOSES ON: 26th March, 2018

LISTING

The Bonds are proposed to be listed on Wholesale Debt Market segment of the National Stock Exchange of India Ltd. and/or BSE Ltd. The BSE and NSE have granted the in-principle approval vide letters dated 23rd March, 2018 and 23rd March, 2018 respectively.

No. 44/4/2018-RE
Government of India / Bharat Sarkar
Ministry of Power / Vidyut Mantralaya
* * * *

New Delhi, dated the 19th March, 2018

To

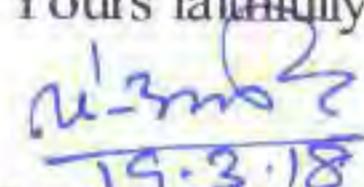
The Chairman & Managing Director,
Rural Electrification Corporation Ltd.,
Core-IV, Scope Complex,
New Delhi – 110 003

Subject: Raising of Extra Budgetary Resources (EBR) up to Rs. 4000 crore for utilization for Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) – Scheme of Ministry of Power during 2017-18 - regarding.

Sir,

In continuation of this Ministry's letter of even number dated 16th March, 2018 on the subject mentioned above, REC is requested to raise the EBR Bonds of Rs.4000/- crore at the earliest (during the FY 2017-18) as per terms and conditions issued by Ministry of Finance, Department of Economic Affairs vide their OM No.2(7)-B(2017) dated 08.02.2018 for utilization in Deen Dayal Upadhyaya Gram Jyoti Yonaja (DDUGJY) of Ministry of Power. The repaymnet of principal and interest in respect of the loan of Rs.4000 crore to be raised by REC shall be met with by the Government of India by making suitable budget provisions in the demand of Ministry of Power.

2. Action taken in this regard may be intimated to this Ministry.

Yours faithfully,

19-3-18
(Narender Singh)
Under Secretary to the Government of India
Tel: 23708304
Email: narender.singh67@gov.in

1. JS&FA /MoP
2. US (Budget) MoP

TABLE OF CONTENTS

Sr. NO.	TITLE	
SECTION I	DEFINITIONS/ ABBREVIATIONS.....	1
SECTION II	DISCLAIMERS	4
SECTION III	GENERAL INFORMATION	6
SECTION IV	BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES UNDERTAKEN, ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION.....	9
SECTION V	EXISTING CORPORATE ORGANOGRAM	14
SECTION VI	BRIEF SUMMARY OF BUSINESS/ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS	15
SECTION VII	OUR MANAGEMENT	25
SECTION VIII	DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC	28
SECTION IX	MANAGEMENT'S PERCEPTION OF RISK FACTORS	34
SECTION X	CAPITAL STRUCTURE AND FINANCIAL POSITION OF THE ISSUER	36
SECTION XI	PARTICULARS OF THE OFFER	86
SECTION XII	SUMMARY TERM SHEET	97
SECTION XIII	MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE	104
SECTION XIV	CREDIT RATING & RATIONALE THEREOF	105
SECTION XV	NAME OF BOND TRUSTEE.....	106
SECTION XVI	STOCK EXCHANGE WHERE SECURITIES ARE PROPOSED TO BE LISTED.....	107
SECTION XVII	DEBT EQUITY RATIO (ON STAND ALONE BASIS).....	108
SECTION XVIII	WILFUL DEFAULTER.....	109
SECTION XIX	SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS	110
SECTION XX	UNDERTAKING REGARDING COMMON FORM OF TRANSFER	111
SECTION XXI	MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER	112
SECTION XXII	DECLARATION	113
SECTION XXIII	ANNEXURES	114

SECTION I DEFINITIONS/ABBREVIATIONS

AY	Assessment Year
Articles/Articles of Association/AoA	Articles of Association of our Company as amended from time to time.
Allotment/Allot	The issue and allotment of the Bonds to the successful Applicants pursuant to this Issue.
Applicant/ Investor	A person who makes an offer to subscribe the Bonds pursuant to the terms of this Private Placement Offer Letter and the Application Form.
Auditing Standards	Standards of auditing or any addendum thereto for companies or class of companies referred to in sub-section (10) of Section 143 of the Companies Act, 2013.
Associate Company	A company in which the Issuer has a significant influence, but which is not a subsidiary company of Issuer having such influence and includes a joint venture company. Significant influence means control of at least 20% of total share capital, or of business decisions under an agreement.
Application Form	The form in terms of which the Applicant shall make an offer to subscribe to the Bonds and which will be considered as the application for Allotment of GoI Fully Serviced Bonds Series-II.
Arrangers to the Issue	Arrangers to the issue are the entities as listed in this Private Placement Offer Letter.
Board/ Board of Directors	The Board of Directors of Rural Electrification Corporation Limited or Committee thereof.
Bonds	Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures of face value of ₹10 Lakh each offered through private placement route under the terms of this Private Placement Offer Letter.
Bondholder(s)	Any person holding the Bonds and whose name appears in the list of Beneficial Owners provided by the Depositories or whose name appears in the Register of Bondholders maintained by the Issuer/Registrar.
Beneficial Owner(s)	Bondholder(s) holding Bond(s) in dematerialized form (Beneficial Owner of the Bond(s) as defined in clause (a) of sub-section of Section 2 of the Depositories Act, 1996).
Book Closure/Record Date	Record date of interest shall be 15 days prior to each interest payment date and 15 days prior to the date of Maturity. Interest shall be paid to the person whose name appears as sole/first in the Register of Bondholders/Beneficial Owners position of the Depositories on Record Date or to the Bondholders who have converted the Bonds to physical form and their name is registered on the registers maintained by Company/Registrar. In the event of REC not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the maturity date, the transferees for the Bond shall not have any claim against REC in respect of interest so paid to the registered Bondholder.
BSE	BSE Limited
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
CAR	Capital Adequacy Ratio
CARE	Credit Analysis & Research Limited
CDSL	Central Depository Services (India) Limited
CMD	Chairman & Managing Director of REC
CRISIL	CRISIL Limited
The Companies Act	The Companies Act, 1956, as amended(to the extent applicable) and/or

	the Companies Act, 2013, to the extent notified by the Ministry of Corporate Affairs, Government of India, as applicable.
Debt Securities	Non-Convertible debt securities which create or acknowledge indebtedness and include debenture, bonds and such other securities of the Issuer, whether constituting a charge on the assets of the Issuer or not, but excludes security receipts and securitized debt instruments.
Deemed Date of Allotment	The cut-off date on which the duly authorized committee approves the Allotment of the Bonds i.e. the date from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholders. The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A Depository participant as defined under Depositories Act, 1996
Designated Stock Exchange	BSE Limited
DER	Debt Equity Ratio
DP	Depository Participant
EPS	Earnings Per Share
FIs	Financial Institutions
FII	Foreign Institutional Investor (as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995) and registered with the SEBI under applicable laws in India.
FPI	Foreign Portfolio Investors as defined under SEBI (Foreign Portfolio Investors) Regulations, 2014 registered with SEBI.
Financial Year/ FY/ Fiscal	Period of twelve months period ending on March 31, of that particular year
ICRA	ICRA Limited
IRRPL	India Ratings & Research Private Limited
GoI	Government of India/Central Government
HUF	Hindu Undivided Family
Trustee	SBICAP Trustee Company Limited
Independent Director	An independent director referred to in sub-section (5) of Section 150 of the Companies Act, 2013
Issuer/ REC/ Corporation/Company	Rural Electrification Corporation Limited. A company incorporated under Companies Act, 1956 and having its registered office at Core-4, SCOPE Complex, 7 Lodi Road, New Delhi 110003 and bearing CIN L40101DL1969GOI005095.
“our”/“we”/“us”	Our Company together with its subsidiaries, associates and its joint venture on a consolidated basis. As the context may require.
Issue/ Offer	Private Placement of Bonds of ₹ 1000 Crore with option to retain oversubscription upto Rs. 1163 crores aggregating to Rs. 2163 crores under this Private Placement Offer Letter.
I.T. Act	The Income Tax Act, 1961, as amended from time to time.
IT Department/IT Dept.	Income Tax Department
IT	Income Tax
JPY	Japanese Yen
Key Managerial Personnel	Key managerial personnel, in relation to the Company, shall mean: i. Managing Director & Chief Executive Officer or the Manager; ii. Company Secretary; iii. Whole-Time Directors; iv. Chief Financial Officer; and

	any such other officer as may be prescribed under the Companies Act,2013.
Listing Agreement	Listing Agreement under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015
Memorandum/Memorandum of Association	Memorandum of Association of the Company as originally framed or as altered from time to time in pursuance of any previous company law or of the Companies Act, 2013.
MF	Mutual Fund
NRIs	Non Resident Indians
NSE	National Stock Exchange of India Ltd.
NSDL	National Securities Depository Ltd.
PAN	Permanent Account Number
Private Placement	Offer of Bonds or invitation to subscribe to the Bonds of the Issuer(other than by way of public offer) through issue of this Private Placement Offer Letter investors on such conditions including the form and manner of private placement as prescribed under the Companies Act, 2013 and RBI Circular No. RBI/2014-15/475 DNBR (PD) CC NO. 021/03.10.001/2014-15, dated February 20, 2015.
Private Placement Offer Letter	Private Placement Offer Letter shall mean this Private Placement Offer Letter
GIR	General Index Registration Number
₹/INR/Rupee/Rs.	Indian National Rupee
RBI	Reserve Bank of India
RBI Act, 1934	Reserve Bank of India Act, 1934
RTGS	Real Time Gross Settlement
ROC	Registrar of Companies, National Capital Territory of Delhi & Haryana
Registrar to the Issue	Karvy Computershare Private Limited
RBI Guidelines	Any rule, regulations, guideline or amendment as may be issued by RBI from time to time.
SEB	State Electricity Board(s)
SEBI	Securities and Exchange Board established under Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI Guidelines	Any rule, regulation or amendment as may be issued by SEBI from time to time.
SEBI Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2012 as amended from time to time.
TDS	Tax Deducted at Source

SECTION II DISCLAIMERS

DISCLAIMER OF THE ISSUER

This Private Placement Offer Letter is neither a Prospectus nor a Statement in Lieu of Prospectus and is prepared in conformity with Companies Act, 2013, Form PAS-4 prescribed under Section 42 and Rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, SEBI Guidelines and RBI Guidelines and the relevant rules and regulations therein. This document does not constitute an offer to the public generally to subscribe for or otherwise acquire the Bonds to be issued by REC. This document is for the exclusive use of the investors to whom it has been specifically addressed and it should not be circulated or distributed to third party (s). It is not and shall not be deemed to constitute an offer or an invitation to the public in general to subscribe to the Bonds issued by the Issuer. This Bond issue is made strictly on private placement basis. Apart from this Private Placement Offer Letter, no offer document or prospectus is being prepared in connection with the offering of this Issue or in relation to Issuer.

This Private Placement Offer Letter is not intended to form the basis of evaluation for the prospective subscribers to whom it is addressed and who are willing and eligible to subscribe to the Bonds issued by REC. This Private Placement Offer Letter has been prepared to give general information regarding REC to parties proposing to invest in this issue of Bonds and it does not purport to contain all the information that any such party may require. REC believes that the information contained in this Private Placement Offer Letter is true and correct as of the date hereof. REC does not undertake to update this Private Placement Offer Letter to reflect subsequent events and thus prospective subscribers must confirm about the accuracy and relevancy of any information contained herein with REC. However, REC reserves its right for providing the information at its absolute discretion. REC accepts no responsibility for statements made in any advertisement or another material and anyone placing reliance on any other source of information would be doing so at his own risk and responsibility.

Prospective subscribers must make their own independent evaluation and judgment before making the investment and are believed to be experienced in investing in debt markets and are able to bear the economic risk of investing in Bonds. It is the responsibility of the prospective subscribers to have obtained all consents, approvals or authorizations required by them to make an offer to subscribe for, and purchase the Bonds. It is the responsibility of the prospective subscribers to verify if they have necessary power and competence to apply for the Bonds under the relevant laws and regulations in force. Prospective subscribers should conduct their own investigation, due diligence and analysis before applying for the Bonds. Nothing in this Private Placement Offer Letter should be construed as advice or recommendation by the Issuer or by the Arrangers to the Issue to subscribers to the Bonds. The prospective subscribers also acknowledge that the Arrangers to the Issue do not owe the subscribers any duty of care in respect of this private placement offer to subscribe for the Bonds. Prospective subscribers should also consult their own advisors on the implications of application, allotment, sale, holding, ownership and redemption of these Bonds and matters incidental thereto.

This Private Placement Offer Letter is not intended for distribution and as per sub-section (8) of section 42 of the Companies Act, 2013, the Issuer shall not release any public advertisements or utilise any media, marketing or distribution channels or agents to inform the public at large in relation to this Issue. It is meant for the consideration of the person to whom it is addressed and should not be reproduced by the recipient. The securities mentioned herein are being issued on private placement basis and this offer does not constitute a public offer/ invitation.

The Issuer reserves the right to withdraw the private placement of the Bond issue prior to the issue closing date(s) in the event of any unforeseen development adversely affecting the economic and regulatory environment or any other force majeure condition including any change in applicable law. In such an event, the Issuer will refund the application money, if any, along with interest payable on such application money, if any.

DISCLAIMER OF THE SECURITIES & EXCHANGE BOARD OF INDIA

This Private Placement Offer Letter has not been approved by Securities & Exchange Board of India. The Bonds have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the same has been cleared or vetted by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or the project for which the Issue is

proposed to be made, or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. Pursuant to rule 14 (3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a copy of this Private Placement Offer Letter shall be filed with the Registrar of Companies, National Capital Territory of Delhi & Haryana along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014 and the same shall also be filed with SEBI along with fee as provided in the Securities and Exchange Board of India (Payment of Fees) (Amendment) Regulations, 2014 within a period of thirty days of circulation of the Private Placement Offer Letter. However SEBI reserves the right to take up at any point of time, with REC, any irregularities or lapses in this Private Placement Offer Letter.

DISCLAIMER OF THE ARRANGERS

It is advised that REC has exercised self-due-diligence to ensure complete compliance of prescribed disclosure norms in this Private Placement Offer Letter. The role of the Arrangers to the Issue in the assignment is confined to marketing and placement of the Bonds on the basis of this Private Placement Offer Letter as prepared by REC. The Arrangers to the Issue have neither scrutinized/vetted nor have they done any due-diligence for verification of the contents of this Private Placement Offer Letter. The Arrangers to the Issue shall use this Private Placement Offer Letter for the purpose of soliciting subscription from qualified institutional investors in the Bonds to be issued by REC on private placement basis. It is to be distinctly understood that the aforesaid use of this Private Placement Offer Letter by the Arrangers to the Issue shall neither in any way be deemed or construed that this Private Placement Offer Letter has been prepared, cleared, approved or vetted by the Arrangers to the Issue, nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Private Placement Offer Letter; nor do they take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of REC. The Arrangers to the Issue or any of its directors, employees, affiliates or representatives do not accept any responsibility and/or liability for any loss or damage arising of whatever nature and extent in connection with the use of any of the information contained in this Private Placement Offer Letter.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Private Placement Offer Letter has been submitted to BSE and/or NSE (hereinafter collectively referred to as "Exchanges") for hosting the same on its website. It is to be distinctly understood that such submission of the document with BSE and/or NSE or hosting the same on its website should not in any way be deemed or construed that this Private Placement Offer Letter has been cleared or approved by the Exchanges; nor do they in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this document; nor do they warrant that the Issuer's bonds will be listed or continue to be listed on the Exchanges; nor do they take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of REC. Every person who desires to apply for or otherwise acquire any bonds of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

DISCLAIMER OF THE RESERVE BANK OF INDIA

The Bonds have not been recommended or approved by the RBI nor does RBI guarantee the accuracy or adequacy of this Private Placement Offer Letter. It is to be distinctly understood that this Private Placement Offer Letter should not, in any way, be deemed or construed that the Bonds have been recommended for investment by the RBI. RBI does not take any responsibility either for the financial soundness of the Issuer, or the Bonds being issued by the Issuer or for the correctness of the statements made or opinions expressed in this Private Placement Offer Letter. The potential investors may make investment decision in respect of the Bonds offered in terms of this Private Placement Offer Letter solely on the basis of their own analysis and RBI does not accept any responsibility about servicing/repayment of such investment.

SECTION III GENERAL INFORMATION

3.1. ISSUER

Name of the Issuer	:	Rural Electrification Corporation Ltd.
Registered/ Head Office/ Corporate Office	:	Core-4, SCOPE Complex, 7, Lodi Road New Delhi 110003
Website	:	www.recindia.gov.in
E-mail	:	investorcell@recl.nic.in
Telephone Number	:	+911124361320
Fax Number	:	+911124369849
CIN	:	L40101DL1969GOI005095

Our Company was incorporated as a private limited company under the Companies Act, 1956 on July 25, 1969 at New Delhi as “Rural Electrification Corporation Private Limited”. The word “private” was deleted from the name of our Company on June 3, 1970. Our Company became a deemed public limited company with effect from July 1, 1975. Our Company was converted into a public limited company with effect from July 18, 2003.

3.2. COMPLIANCE/NODAL OFFICER AND DIRECTOR (FINANCE)

COMPLIANCE/NODAL OFFICER	DIRECTOR (FINANCE)
Vijay Kumar Addl. General Manager (Finance) Rural Electrification Corporation Limited Core-4, SCOPE Complex 7, Lodi Road, New Delhi 110 003 Tel: +91 11 4309 1620 Facsimile: +91 11 2436 9849 E-mail: vij_kr1960@yahoo.co.in	Mr. Ajeeet Kumar Agarwal , Rural Electrification Corporation Limited Core-4, SCOPE Complex 7, Lodi Road New Delhi-110003 Tel: +91 11 24361914 Facsimile: +91 11 24365090 E-mail: ak.agarwal@recl.nic.in

3.3. ARRANGERS TO THE ISSUE

A. K. CAPITAL SERVICES LIMITED	KOTAK MAHINDRA BANK LIMITED
A. K. CAPITAL SERVICES LTD. 609, 6th Floor, Antriksh Bhawan, 22, Kasturba Gandhi Marg, New Delhi – 110 001 Telephone No. (011) 23739628 Fax No. (011) 23739627 E-mail: akdelhi@akgroup.co.in	KOTAK MAHINDRA BANK LIMITED Kotak Aero City, Asset Area 9, 3rd Floor, IBIS Commercial Block, Hospitality District, IGI Airport New Delhi - 110 037 Telephone No. (011) 66176000/ 66176370 Fax No. (011) 66084595 E-mail: ahmedwiquar.rahim@kotak.com
AXIS BANK LIMITED	SBI CAPITAL MARKETS LTD.
AXIS BANK LIMITED Axis House, 4th Floor, Tower 1, Sector-128, Noida-201304 Telephone No. (0120) 6210860 E-mail: vikrant5.verma@axisbank.com	SBI CAPITAL MARKETS LTD. 6th Floor, World Trade Tower, Barakhamba Lane, New Delhi - 110001 Telephone No. (011) 23418447 Fax No. (011) 23416292 E-mail: shweta.narang@sbicaps.com
ICICI BANK LIMITED	TRUST INVESTMENT ADVISORS PVT. LTD.
IICICI SECURITIES PRIMARY DEALERSHIP LIMITED ICICI Tower, 3rd Floor, NBCC Place, Pragati Vihar, Lodi Road, New Delhi – 110003	TRUST INVESTMENT ADVISORS PVT. LTD. 1101, Naman Centre, G Block, C-31, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

Telephone No. (011) 24390025/26 Fax No. (011) 43560036 / 24390074 E-mail: s.venkatakrishnan@isedpd.com	Telephone No. (022) 40845000 Fax No. (022) 40845066 / 40845007 E-mail: mbd.trust@trustgroup.co.in
ICICI SECURITIES PRIMARY DEALERSHIP LIMITED	
ICICI BANK LIMITED ICICI Bank Towers Bandra Kurla Complex, Bandra (East), Mumbai – 400051 Telephone No. (022) 26531414, (011) 4221 8275 Fax No. (022) 26531063, (022) 26531122, (011) 24360072 E-mail: gmfgfixedincome@icicibank.com	

3.4. CREDIT RATING AGENCIES

INDIA RATINGS & RESEARCH PRIVATE LIMITED	CREDIT ANALYSIS & RESEARCH LIMITED
A Fitch Group Company Wockhardt Tower, Level 4, West Wing BandraKurla Complex, Bandra (E) Mumbai - 400051 Tel: + 91 22 40001700 Fax: +91 22 40001701 Website: www.indiaratings.co.in	13 th Floor, E-1, Block, Videocon Tower, Jhandewalan Extension, New Delhi 110055 Tel: +91 11 4533 3200 Fax: +91 114533 3238 Website: www.careratings.com
CRISIL LIMITED	ICRA LIMITED
CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076 Tel: + 91 22 3342 3000 Fax: +91 22 3342 3050 Website: www.crisil.com	1105, Kailash Building, 11 th Floor, 26, Kasturba Gandhi Marg, New Delhi – 110001 Tel: +91 11 23357940/50 Fax: +91 11 23357014 Website: www.icra.in

3.5 STATUTORY AUDITORS OF THE ISSUER

S. No.	Name	Address	Auditors of the Company since
1	M/s A R & Co., Chartered Accountants, ICAI Firm Registration: 002744C	A 403, Gayatri Apartments, Airlines Group Housing Society, Plot No.27, Sector 10, Dwarka, New Delhi- 110075 Tel: +91 120 6451160 Email: pawankgoel1@gmail.com Contact Person: Mr. Pawan K. Goel	July 01, 2015
2	M/s G.S. Mathur & Co., Chartered Accountants, ICAI Firm Registration: 008744N	A-160, Defence Colony, New Delhi-110024 Tel: +91 11 41554880/81, 24331503 Email: ajay.mathur01@gmail.com Contact Person: Mr. Ajay Mathur	July 29, 2017

Being a Government Company, the statutory auditors of the Issuer are appointed by the Controller and Auditor General of India (“CAG”). The annual accounts of the Issuer are reviewed every year by CAG and a report is published.

3.6. Details of change in Auditors of the Company since last three years:

S. No.	Financial Year	Name	Address	Date of Appointment/Resignation	Remark (if any)
1.	2017-18	M/s A R & Co., Chartered Accountants, having Firm Registration No. 002744C	A 403, Gayatri Apartments, Airlines Group Housing Society, Plot No.27, Sector 10, Dwarka, New Delhi- 110075	Appointed on 11.07.2017	M/s G.S. Mathur & Co. was appointed by CAG.
		M/s G.S. Mathur & Co., Chartered Accountants, ICAI Firm Registration: 008744N	A-160, Defence Colony, New Delhi- 110024		
2.	2015-16	M/s A R & Co., Chartered Accountants, having Firm Registration No. 002744C	A 403, Gayatri Apartments, Airlines Group Housing Society, Plot No.27, Sector 10, Dwarka, New Delhi- 110075	Appointed on 01.07.2015	M/s A R & Co. was appointed by CAG.
		M/s Raj HarGopal& Co., Chartered Accountants, having Firm Registration No.002074N	412, AnsalBhawan, 16, Kasturba Gandhi Marg, New Delhi – 110001.		

SECTION IV

BRIEF HISTORY OF ISSUER SINCE INCORPORATION, DETAILS OF ACTIVITIES UNDERTAKEN, ANY REORGANIZATION, RECONSTRUCTION OR AMALGAMATION

4.1. CONSTITUTION

REC is a Government of India ("GoI") Public Sector Enterprise, incorporated on July 25, 1969 under the Companies Act, having net worth of over ₹35,144.92 crore (on standalone basis) as on September 30, 2017. It provides financial assistance to SEB, State Government Departments and Rural Electric Cooperatives for village electrification and energisation of pump sets for increasing agricultural production and to other Centre and State utilities as also to the private sector utilities. REC was declared as a Public Financial Institution under Section 4A of the Companies Act, 1956 (corresponding Section 2(72) of the Companies Act, 2013) in February 1992 and registered as Non-Banking Financial Company under Section 45-IA of the RBI Act, 1934 in February 1998. It is also the nodal agency for channelizing finance to aid the GoI's social and economic objective of achieving 100% rural electrification. REC's importance has been further enhanced by the virtual absence of private sector investments in rural electrification.

4.2. CHANGES IN THE REGISTERED AND CORPORATE OFFICE

Our Registered and Corporate Office is currently situated at Core-4, SCOPE Complex, 7, Lodi Road, New Delhi 110 003, India. Our registered office was initially situated at Floor No. 3, Jeevan Vihar, Parliament Street, New Delhi-110001, India, pursuant to a resolution of our Board dated September 5, 1969. The table below encapsulates changes in our registered office since our incorporation.

Date of shareholders' resolution	Change in address of the Registered Office
September 5, 1969	Floor No. 3, Jeevan Vihar, Parliament Street, New Delhi 110 001, India.
March 3, 1970	D-5, NDSE, Part-II, South Extension, New Delhi 110 049, India.
November 30, 1976	2nd and 3rd Floor, DDA Building, Nehru Place, New Delhi 110 019, India.
November 28, 1995	Core-4, SCOPE Complex, 7, Lodi Road, New Delhi 110 003, India.

4.3. MAJOR EVENTS AND MILESTONES

Calendar Year	Event
1969	Incorporation of our Company.
1970	Commenced lending operations to SEBs.
1974	Authorised by the Ministry of Irrigation and Power to finance rural electrification under the 'Minimum Needs Programme'.
1979	CIRE set up in Hyderabad.
1988	Launch of KutirJyoti and JalDhara programmes for rural electrification.
1992	Declared a Public Financial Institution under Section 4A of the Companies Act, 1956.
1993	Entered into MoU with the Ministry of Power for the year 1993-1994 for the first time to achieve certain performance related targets.
1998	Registered as a NBFC under Section 45(IA) of the RBI Act, 1934.
2001	Allowed to issue Capital Gains Tax Exemption Bonds under Section 54 EC of the IT Act.
	Up gradation from Schedule 'B' to Schedule 'A' Corporation
2002	Grant of Mini Ratna- I status
2005	Appointed as the nodal agency for RGGVY (presently known as Deendayal Upadhyaya Gram Jyoti Yojana).
2006	Entered into agreement with Japan International Cooperation Agency for availing a loan facility of JPY 20,629 million.
	Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 70 million.

Calendar Year	Event
2008	<p>Launch of Initial Public Offer and dilution of Promoter's shareholding from 100% to 81.82%. Gross proceeds from IPO were ₹ 819.63 crores.</p> <p>Listed Equity Shares of the Company on NSE and BSE.</p> <p>Accorded "Navratna" status by the Department of Public Enterprise, GoI for our operational efficiency and financial strength, which affords greater operational freedom and autonomy in decision making.</p> <p>Entered into agreement with Japan International Cooperation Agency for availing a loan facility of JPY 20,902 million.</p>
2009	<p>Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 70 million.</p> <p>Received 'LAAA' rating from ICRA in relation to ₹ 25,000 crores long term borrowing programme for the Fiscal 2010.</p>
2010	<p>Follow-on issue of Equity Shares resulting in (a) raising ₹ 2,647.53 crores of gross proceeds through fresh issue and (b) GoI reducing its ownership to 66.80%.</p> <p>RBI categorised REC as an Infrastructure Finance Company ("IFC").</p> <p>REC was included in the MSCI emerging marketing index.</p>
2011	<p>REC successfully priced a USD 500 million 4.25% 5-year Reg S Senior Unsecured Notes transaction.</p> <p>REC was the first Indian NBFC –IFC to enter into the international debt market.</p>
2012	<p>CHF Bonds through Reg S for CHF 200 million were issued by REC, which were listed in the SIX Swiss Exchange, Switzerland.</p> <p>Entered into agreement with KfW, Frankfurt am Main for availing a loan facility of Euro 100 million.</p> <p>National Electricity Fund (Interest Subsidy Scheme) has been set up by Ministry of Power to provide interest subsidy on loans disbursed to the State Power Utilities, Distribution Companies (DISCOMS) - both in public and private sector, to improve the infrastructure in distribution sector. REC is the nodal agency for the scheme with a mandate to operationalize the scheme through which amount for interest subsidy will be provided.</p>
2013	<p>REC received DSII PSU Award, 2012 for "Fastest Growing Operational Metrics" in Non-Manufacturing Navratna Category.</p> <p>REC received CIDC Vishwakarma Award 2013 in the category of "Achievement Award for Industry Doyen."</p> <p>REC received Award in the Category of "Non-Banking Financial Services" by India Pride Awards, Dainik Bhaskar and DNA.</p>
2014	<p>Entered into offshore syndicated facility agreements for availing loan facility of USD 285 million from Hong Kong and Shanghai Banking Corporation Limited, State Bank of India, Singapore Branch and Sumitomo Mitsui Banking Corporation as Mandated Lead Arrangers and Book runners (MLAB's) in November.</p> <p>REC named 'Best Employer India 2013' and also been awarded 'The Aon Hewitt Voice of Employee Award Public Sector Enterprise India 2013' by Aon Hewitt.</p> <p>Received 'Best HR Practices' Award in the Navratna PSU's category from India Today PSUs Award 2014</p>

Calendar Year	Event
	<p>REC received DSII PSU Award, 2014 for "Fastest Growing Navratna of the Year in Non-Manufacturing Category.</p> <p>'Rural sector PSE of the Year making Grass Root Infrastructure Impact' from IPSE Award 2014.</p> <p>'Best Power Financing Company' for outstanding contribution in terms of providing financial assistance and promoting Rural electrification Projects all over the Country having consistent record of Excellent all round Performance Growth and Profitability since inception and Contribution to the Growth of Nation from CBIP</p> <p>"Best Governed Company" by Institute of Company Secretaries of India and REC has been awarded "ICSI National Award for excellence in corporate governance".</p> <p>Nodal Agency for operationalization of Deendayal Upadhyaya Gram Jyoti Yojana on December 3, 2014 (including Rural Electrification (RE) component - the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana - RGGVY) mainly for separation of agriculture and non-agriculture feeders; strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas; and rural electrification for completion of the targets laid down under RGGVY for XII and XIII Plans.</p>
2015	<p>"Fastest Growing Navratna PSU" award from India Today.</p> <p>Third Largest Financier in RE in FY 2015-16 from Ministry of Non-Conventional and Renewable Energy (MNRE)</p>
2016	<p>Rated "Excellent" for Fiscal 2016 in terms of MoU signed with GoI for the 23rd year in succession,</p> <p>Nodal Agency for implementation of Outage Management System and 11 KV Rural Feeder Management System.</p> <p>Received "Best Power Financing Company" award in CBIP Awards 2017.</p> <p>Won Gold Trophy for "SCOPE Meritorious award for Best Public Sector Financing Institution or Insurance Company" for the year 2014-15.</p> <p>Received "SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management" for the year 2014-15.</p>
2017	<p>REC stock included in 'Nifty Next 50' on National Stock Exchange.</p> <p>Saubhagya scheme</p> <p>USD 400 million Reg S Bond for refinancing issued & listed on LSE & SGX</p> <p>Green Bond of REC listed on London Stock Exchange.</p> <p>Received "Best Power Finance Company" award in CBIP Awards 2018.</p>

4.4. DETAILS REGARDING ACQUISITION OF BUSINESS/UNDERTAKINGS, MERGERS, AMALGAMATION, REVALUATION OF ASSETS

Our Company has neither acquired any entity, business or undertakings nor undertaken any mergers, amalgamation, or revaluation of assets in the last Fiscal.

4.5. HOLDING ENTITY- OUR PROMOTER

Our Promoter is the President of India, acting through the Ministry of Power, holding 58.32% of our Equity Share Capital as on December 31, 2017.

4.6. JOINT VENTURES

Energy Efficiency Services Limited (“EESL”) FICRA

REC, along with three other PSUs, namely Power Grid Corporation of India Limited, NTPC and PFC as partners, has formed a Joint Venture Company by the name Energy Efficiency Services Limited (EESL) on December 10, 2009. During the financial year 2016-17, the Equity investment of REC in EESL was increased to 14,65,00,000 Equity Shares of ₹ 10/- each w.e.f April 25, 2016. Accordingly, as on date REC holds 31.70% of the paid up equity share capital of EESL.

EESL is formed to create & sustain market access of energy efficient technologies particularly in the public facilities like municipalities, buildings, agriculture, industry etc. and to implement several schemes of Bureau of Energy Efficiency, Ministry of Power, Government of India. EESL is also leading the market related activities of the National Mission for Enhanced Energy Efficiency (NMEEE), one of the 8 national missions under National Action Plan on Climate Change. The Business verticals of the company inter-alia include implementing projects in Energy Service Company (ESCO) mode in Agriculture Demand Side Management (AgDSM), Municipal Demand Side Management (MuDSM), Distribution Energy Efficiency projects, Building, Small & Medium Enterprises (SMEs), Perform, Achieve and Trade-Joint Implementation Plan (PAT-JIP), Corporate Social Responsibility activities, etc. Currently, EESL is implementing Municipal Street Lighting projects with various Municipal Corporation and AgDSM projects for replacement of inefficient Agricultural Pump sets in agriculture sector, Unnat Jyoti by Affordable LEDs for all formerly Domestic Efficient Lighting Programme (DELP) in domestic residential sector in ESCO mode with various Utilities and CSR projects of various companies.

4.7. ENTITIES IN WHICH WE HAVE EQUITY INVESTMENT

Indian Energy Exchange Limited (“IEX”)

Pursuant to the approval of Board of Directors in year 2007, our Company acquired 5% (12,50,000 equity shares of face value of ₹10 each) of the then equity share capital of IEX. Certain significant details of IEX are provided hereunder:

IEX was incorporated on March 26, 2007 and received its certificate of commencement of business on April 17, 2007. Its registered office is situated at Unit No. 3-6, 4th Floor, TDI Centre, District Centre, Jasola, New Delhi – 110025. IEX offers national level electronic platform to facilitate trading in electricity, subject to supervision of the Central Electricity Regulatory Commission ('CERC'). Entities listed to undertake trading in electricity, distribution licensees and grid connected entities use the platform offered by IEX to purchase and sell electricity. Currently, IEX operates Day-Ahead Market (DAM) and Term-Ahead Market (TAM) in electricity as well as Renewable Energy Certificate (REC) Market. The Exchange provides a transparent, demutualised and automated platform enabling efficient price discovery and price risk management for participants. The equity shares of IEX are not listed on any stock exchange. As on December 31, 2017, REC holds 4.12% in the equity share capital of IEX. IEX has recently got listed on stock exchanges on 23 October 2017.

‘Small is Beautiful’ Fund (“SBF”)

SBF is an Indian venture capital fund organised and settled as a contributory trust and registered with SEBI as a Venture Capital Fund. KSK Trust Private Limited is the trustee for SBF. The office of SBF is situated at Plot No. 84, Kaveri Hills, Phase II, Madhapur, Hyderabad – 500033, Andhra Pradesh, India. SBF is engaged in the business of making investments in power generation and other allied projects in Indian power sector. REC has invested ₹ 22.50 Crore in ‘Small is Beautiful’ Fund (SIB) in FY 2003-04 along with other banks & financial institutions. REC's contribution amounted to 9.74% of the fund corpus. As on December 31, 2017, the outstanding investment of SBF amounts to ₹ 63.23 Crore.

Investment in NHPC

REC has invested in 26,05,42,050 equity shares of NHPC Limited at the rate of ₹ 21.78 per share (including STT, brokerage and other charges) amounting to ₹ 567.50 Crore in April 2016 during disinvestment by Government of India through OFS route.

NHPC Limited, a Govt. of India Enterprise, was incorporated in the year 1975 with an objective to plan, promote and organise an integrated and efficient development of hydroelectric power in all aspects. Later on NHPC expanded its objects to include development of power in all its aspects through conventional and non-conventional sources in India and abroad. At present, NHPC is a Mini Ratna Category-I Enterprise of the Govt. of India with an authorised share capital of ₹15,000 crores and issued share capital is ₹ 10,259.32 crores.

NHPC has been assigned credit rating of AAA / stable by CRISIL.

REC sold 7,65,30,185 number of equity shares in the Buyback offer by NHPC Limited in February 2017. As on December 31, 2017 REC holds 18,40,11,865 equity shares of NHPC Limited with an investment amount of ₹ 400.80 Crore which amounts to around 1.79% total equity share capital of NHPC Ltd.

Housing & Urban Development Corporation Limited (“HUDCO”)

REC has invested in 3,47,429 equity shares of Housing & Urban Development Corporation Limited at the rate of ₹ 60 per share amounting to Rs. 2.08 Crore in May 2017 during the Initial Public Offer by HUDCO.

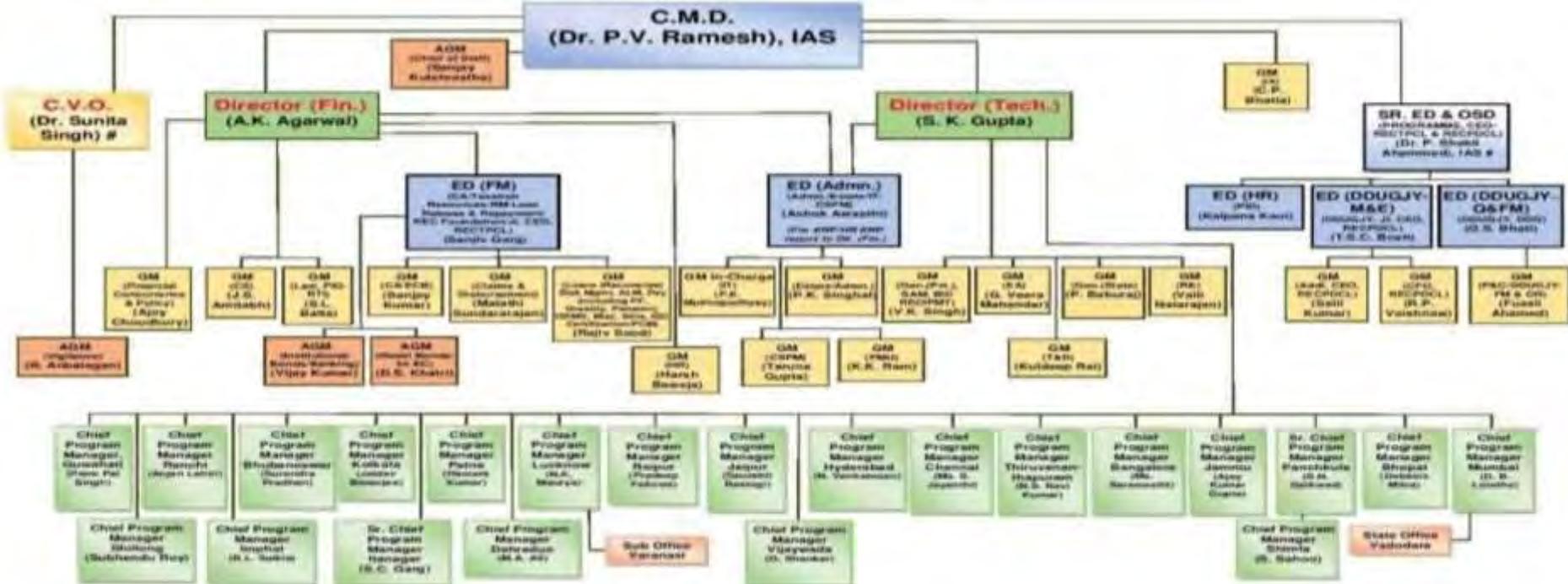
HUDCO was incorporated on April 25, 1970. HUDCO is a 100% GoI owned entity. HUDCO was notified as a public financial institution under Section 4A of the Companies Act, 1956 on December 9, 1996, by the Department of Company Affairs, Ministry of Finance, GoI. HUDCO is a Miniratna (Category-I PSE) with excellent MoU ratings for last 3 years. HUDCO has a credit rating of AAA for Long Term Debt.

Lanco Teesta Hydro Power Limited (“LTHPL”)

REC has acquired the equity shares of the value of Rs.102 crores in the project SPV (i.e. LTHPL) through conversion of debt into equity under the implementation of SDR scheme, as per RBI guidelines. The consortium lenders are discussing & deliberating on the various options under the Joint Lenders Forum (JLF) including takeover of the project by Government of Sikkim or any other entity.

SECTION V

EXISTING CORPORATE ORGANOGRAM AS ON MARCH 23rd, 2018



On deputation

Abbreviations	
CEM	Corporate Strategy, Planning and Management
PM	Paraphrase
IT	Information Technology
ODUJEW	Odisha Development Council Jitendra Kumar
ODC	ODisha Council
SGM	Secretary
CSO	Corporate Secretary
CC&PR	Corporate Communication & Public Relations
PTI	Right to Information
PM&C	Planning & Coordination
MoP	Ministry of Power
MoA	Ministry of Agriculture & Soil Science
CM	Corporate Management
DEPT	Departmental Committee Chairperson
RAE	Revenue Audit & Registration
DEA	Resource Allocation
PMU	Project Management Unit

<u>Abbreviations</u>	
PIO	Public Information Officer
AA	Appropriate Authority
IA	Internal Audit
HR	Human Resources
RE	Renewable Energy
CSRE	Corporate Social Responsibility
EA	Entity Approved
SAM	Strategic Asset Management
RECIPIENT	RECIPIENT Institute of Project Management and Training
FM	Financial Management
PCM	Procurement & Contract Management
REPDOL	REPDOL Power Distribution Company Ltd.
REHOTEL	REHOTEL Restaurant Projects Company Ltd.
QFMS	Telephone Services, Quality and Field Monitoring
CA	Corporate Accounts
SCM	Strategic Commercial Services

ADVISORY BOARD

SECTION VI

BRIEF SUMMARY OF BUSINESS/ACTIVITIES OF ISSUER AND ITS LINE OF BUSINESS

6.1. OVERVIEW

We are public financial institution in the Indian power infrastructure sector and are engaged in the financing and promotion of transmission, distribution and generation including renewable energy projects throughout India. We commenced our operations in 1969 for the purpose of developing the power infrastructure in rural areas. We have contributed to the development of rural India and India's agriculture through our funding of transmission and distribution projects in rural areas. Our mandate has evolved in accordance with the development priorities of GoI and since Fiscal 2003, we are permitted to finance all segments of the power sector, including generation, transmission and distribution, throughout the country. Our mandate was further extended to include financing other activities with linkages to power projects, such as coal and other mining activities, fuel supply arrangements for the power sector and other power-related infrastructure. In June 2011, we have set up a separate division for funding renewable projects in order to further achieve the goal of conserving fossil fuels and reducing our carbon foot prints. REC is one of only 14 Indian public sector undertakings to be granted "Navratna" status by the Department of Public Enterprise by virtue of our operational efficiency and financial strength. The GoI has rated our performance as "Excellent" continuously since Fiscal 1994. We have also been ranked among the top ten public sector undertakings in India by the Ministry of Heavy Industries and Public Enterprises for Fiscal 2000, Fiscal 2001, Fiscal 2002, Fiscal 2004 and Fiscal 2005. Domestically, we hold the highest credit rating for long-term borrowing consisting of domestic credit rating from each of IRRPL, CRISL, ICRA and CARE. On an international basis, we hold long-term borrowing ratings from Fitch and Moody's that are at par with sovereign ratings for India.

The President of India, acting through nominees from the Ministry of Power ("MoP"), currently holds 58.32% of the issued and paid up equity capital of our Company. The GoI, acting through the MoP, oversees our operations and has the power to appoint Directors to our Board. We have a branch network of 19 project offices and 3 sub-offices spread across India. The registered office at New Delhi looks at the matters relating to Planning and Policy formulation, Resource Mobilization, Financial Operations etc. Project/Field offices attend functions relating to preliminary processing of new schemes, monitoring of on-going schemes, scrutiny of loan claims, recovery of dues and maintain liaison with SEBs and State Governments for effective implementation of rural electrification programme funded by the Corporation.

Our Strengths

We believe that the following are our primary strengths:

- Our financial position is strong and our business is profitable.
- We are uniquely positioned to access and appraise borrowers in the Indian power sector.
- We occupy a key strategic position in the GoI's plans for growth of the power sector.
- We have an experienced management team with sector expertise.
- Pan India presence through our zonal/project offices in most of state capitals.

Our Strategy

The key elements of our business strategy are as follows:

- Continue to fund the increased investment in the Indian power sector.
- Maintain the diversity of our asset portfolio and seek higher yielding loan assets.
- Increase our involvement in consortium lending and private sector participation in the Indian power sector.
- Increase our fee-based income.
- Implement technological innovation to manage our growth and remain a dynamic organisation.

6.2. OUR PRODUCTS

Long-term Loans

We offer our long-term loans to central-sector power utilities, state-sector power utilities, joint-sector power utilities, state power departments, private sector power utilities and rural electricity cooperatives. Our long-term loans generally are sanctioned with respect to a specific power-related project at project inception or as bulk loans for procurement of equipment. Our long-term loans to the public sector for transmission and distribution projects typically require the borrower to obtain a state government guarantee of the loan and/or hypothecate a portion of its existing assets or hypothecate all of its project assets to secure the loan. The percentage of guarantee and hypothecation of assets differs on a case-to-case basis.

Short-term Loans

We offer short-term loans to our state sector borrowers to meet their immediate working capital requirements, including for the purchase of fuel for power plants, system and network maintenance, including transformer repairs, the purchase of power, the purchase of materials and minor equipment.

Others

- Debt Refinancing**

We may offer a debt refinancing scheme for borrowers who have borrowed funds from other lending institutions at a higher rate of interest. The refinancing facility is available generally for commissioned projects. We offer our debt refinancing products on the same interest rate terms as our long-term loans; however, the maturity of our debt refinancing products is generally not later than the maturity of the refinanced indebtedness.

- Bridge Loans**

We may provide short-term bridge loan financing for borrowers that have been sanctioned financial assistance from or through us, primarily in the form of grants or long-term loans, and have received a sanction letter for the funding but are awaiting disbursements pending formalities or clearances.

- Short-term Loans to Equipment Manufacturers**

We may offer short-term loans to manufacturers of equipment or materials. To be eligible to receive these loans the equipment manufacturers must have been awarded a firm order for executing contracts in power projects in India by power utilities. We do not currently have any such loans outstanding.

- Medium-term Loans**

We offer medium-term loans (MTL) to the Central/State Government Power Utilities and State Governments that are not in default to our Company for the following purposes:

- purchase of fuel for power plant
- system and network maintenance including transformer repairs
- purchase of power
- any other requirement due to inadequate tariff revision, repayment of loan obligation, delay in receipt of support from Govt. etc.

MTL are not provided to the following category of customer:

- who are in default to REC, or
- utilities categorised as Grade "C"
- utilities that have availed Transitional Financing Loan (TFL) facility

These loans have a loan period of more than one to three years. As on March 31st 2017, MTL outstanding amounted to ₹ 5680.06 crores.

Loans for Power Purchase through Indian Energy Exchange

In December 2009, our Board of Directors approved a new scheme pursuant to which we intend to finance power purchases made through the Indian Energy Exchange, which is one of two energy exchanges operating in India. It is currently intended that these power purchase loans may be offered to our existing public sector borrowers for the purpose of non-speculative purchases of power through the exchange with a maturity of 90 days from disbursement. Power purchase loans will be secured by escrow arrangements or bank guarantees, at the discretion of the borrower.

Deendayal Upadhyaya Gram Jyoti Yojana

Government of India, in April 2005, launched the "Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) Scheme of Rural Electricity Infrastructure and Household Electrification" vide O.M. No. 44/19/2004-D(RE), dated March 18, 2005 for providing access to electricity to all rural households. REC is the Nodal Agency for implementation of the Scheme. Under the scheme 90% capital subsidy is being provided by GoI which is released through REC to the respective Implementing Agencies of the State. Subsequently, RGGVY scheme has been subsumed in new 'Deendayal Upadhyaya Gram Jyoti Yojana' (DDUGJY) scheme which was approved by Government of India vide OM No. 44/44/2014-RE dated December 03, 2014. Under DDUGJY, 60% of the project cost (85% for special States) is provided as grant by Government of India and additional grant upto15% (5% for special States) is provided by Government of India on achievement of prescribed milestones.

The main components of the scheme are as under:

- i. Separation of agriculture and non-agriculture feeders facilitating judicious fostering of supply to agricultural & non- agricultural consumers in the rural areas; and
- ii. Strengthening and augmentation of sub-transmission & distribution infrastructure in rural areas, including metering of distribution transformers/feeders/consumers; and
- iii. Rural electrification for completion of the targets laid down under RGGVY for 12th and 13th Plans by carrying forward the approved outlay for RGGVY to DDUGJY.

The components at (i) and (ii) will have an estimated outlay of INR 43,033 Crores including budgetary support of INR 33,453 Crore from GOI during the entire implementation period. For component (iii) above, scheme cost of INR 39,275 Crore including a budgetary support of INR 35,447 Crores has been approved.

Rural Electrification Corporation Limited (REC) is the Nodal Agency for operationalization of the scheme and REC would be paid 0.5% of the total project cost as Agency fee.

National Electricity Fund (NEF)

National Electricity Fund (NEF) - Interest Subsidy Scheme, has become operational during the year 2012-13. The scheme has been introduced by GoI to promote the capital investment in the distribution sector. The scheme shall provide interest subsidy, linked with reform measures, on loans taken by private and public power distribution utilities for approved power Distribution Infrastructure projects.

NEF would provide interest subsidy aggregating to INR 84,660 million (USD 1,355 million spread over maximum loan tenure of 13 years against loan amount of INR 250,000 million (USD 4,000 million)) for distribution projects approved during 2012-13 and 2013-14. The pre-conditions for eligibility are linked to certain reform measures to be achieved by Discoms. Interest subsidy to the tune of 3-7%, is linked to the achievement of mainly two efficiency benchmark i.e., reduction of AT&C losses & reduction in revenue gap (ACS & ARR).

Rural Electrification Corporation is the Nodal Agency for the scheme with a mandate to operationalize the scheme and pass on the benefit of interest subsidy to eligible distribution utilities. REC will receive service charges at the rate of 0.5% of the total loan amount approved by the NEF Steering Committee.

REC, during Fiscal 2013 & Fiscal 2014, has conveyed approval for projects of loan amounting to INR 264,067 million (USD 4,226 million) to 25 discoms of 15 states. The interest subsidy shall be released on the basis of continual improvement in performance of discom (mainly reduction of AT&C losses & reduction in revenue gap-ACS & ARR) to be evaluated on annual basis during the loan tenure. Independent Evaluators have been appointed for evaluation of interest subsidy proposal. It is expected that NEF scheme will supplement the efforts of Govt. of India and result in improvement in distribution sector in the country. NEF scheme has given an opportunity to REC to enhance its business prospects in the power distribution sector.

NEF Steering Committee till 31st March, 2017, has approved interest subsidy amounting to INR 593.44 million to eligible Discoms based on the performance criterion evaluated by Independent Evaluators and REC. Discoms have started getting the interest subsidy amount under the Scheme and the benefits shall ultimately be passed on to the consumers of the respective Discoms.

UDAY SCHEME

The recent initiative by Ministry of Power, Government of India through Ujwal DISCOM Assurance Yojana (UDAY), launched in November 2015, is a path breaking reform for realizing the Hon'ble Prime Minister's vision of affordable and accessible 24x7 power for all. It is another decisive step furthering the landmark strides made in the Power sector over the past two years, with the sector witnessing a series of historic improvements across the entire value chain, from fuel supply (highest coal production growth in over 2 decades), to generation (highest ever capacity addition), transmission (highest ever increase in transmission lines) and consumption (over 2.3 crore LED bulbs distributed).

Financially stressed DISCOMs are not able to supply adequate power at affordable rates, which hampers quality of life and overall economic growth and development. Efforts towards 100% village electrification, 24X7 power supply and clean energy cannot be achieved without performing DISCOMs. Power outages also adversely affect national priorities like "Make in India" and "Digital India".

Due to legacy issues, DISCOMs are trapped in a vicious cycle with operational losses being funded by debt. Outstanding debt of DISCOMs has increased from about 2.4 lakh crore at the end of 2011-12 to about 4.3 lakh crore at the end of 2014-15. UDAY assures the rise of vibrant and efficient DISCOMs through a permanent resolution of past as well as potential future issues of the sector. It empowers DISCOMs with the opportunity to break even in the next 2-3 years. This is through four initiatives (i) Improving operational efficiencies of DISCOMs; (ii) Reduction of cost of power; (iii) Reduction in interest cost of DISCOMs; and (iv) Enforcing financial discipline on DISCOMs through alignment with State finances.

ERP and Information Security Management System (ISMS)

REC remains committed to use of technology to increase its efficiency, and in its efforts to increase its efficiency by use of technology and reduce the time involved in business functions like Central Accounting, Project Appraisal and Sanction, Disbursement etc., REC has implemented Enterprise Resource Planning (ERP) system in the Corporation, which has resulted in increase in efficiency and greater customer satisfaction. Employee processes are also on-line through HR-ERP System. Towards achieving efficient e-governance and transparency, in procurement, now all procurement of goods and services above a cut-off value are being done through the E-procurement system which is also capable of conducting e-Reverse Auction. Additionally, Document Management System ("DMS") and other in-house developed systems viz. Annual Property Return, Bill Payment and Tracking System, Visitor Management System, File Movement System etc. have been implemented to improve the efficiency of REC. Also, for better operational environment & internal control and to mitigate security risk, REC Data Centre and Disaster Recovery Centre comply with Information Security Management System ("ISMS") policies and are ISO/IEC 27001:2013 certified, which is the global security standard, by British Standard Institution (BSI).

6.3. Resource Mobilisation

We generally fund our assets, primarily comprising loans to the power sector, with borrowings of various maturities in the domestic and international markets. Our market borrowings include bonds, short-term loans, medium-term loans, long-term loans and external commercial borrowings. As on March 31, 2017, we had total outstanding borrowing of 167517.38 crores. The following table sets forth our indebtedness classified by Rupee-denominated and foreign currency-denominated sources and the percentages such resources constituted of our total indebtedness as on March 31, 2015, 2016 and 2017. The Rupee equivalents of foreign currency-denominated debts (other than those that are already fully hedged) are translated with reference to rates of exchange prevailing as at the end of all the periods indicated.

(All figures are in (INR) crores, except percentages)

Resource Denomination	As on March, 31 st					
	2015		2016		2017	
	Amount	%	Amount	%	Amount	%
Rupee	126,995.92	84.09	147,182.66	87.04	146436.84	87.42
Foreign currency	24,028.20	15.91	21,923.72	12.96	21080.54	12.58
Total		100		100	167517.38	100

6.4. Domestic Borrowings

In terms of domestic resources, a significant proportion of our Rupee denominated funds are raised through privately placed bond issues in the domestic market and term loans. We have a diverse investor base of banks, financial institutions, mutual funds, insurance companies, provident fund trusts, gratuity fund trusts and superannuation trusts and individuals. The following table sets forth our outstanding Rupee-denominated indebtedness by type and the percentage such indebtedness constituted of our total Rupee-denominated indebtedness as on March 31, 2015, 2016 and 2017.

(All figures are in (INR) crores, except in percentages)

Rupee Denominated	As on March 31					
	2015		2016		2017	
	Amount	%	Amount	%	Amount	%
Taxable bonds	97068.18	76.43	109677.54	74.52	113449.39	77.47
54EC Capital Gain Tax Exemption bonds	15590.94	12.28	17164.39	11.66	19477.40	13.30
Infrastructure bonds	376.32	0.30	242.39	0.17	111.64	0.08
Tax-free bonds	11648.41	9.17	12648.41	8.59	12648.41	8.64
Term loans	1575.00	1.24	1100.00	0.75	750.00	0.51
GoI loans	3.07	0.00	0.00	0.00	0.00	0.00
Commercial paper	0.00	0.00	5600.00	3.80	0.00	0.00
WCDL	734.00	0.58	749.93	0.51	0.00	0.00
Total	108619.04	100.00	126995.92	100.00	146436.84	100.00

Taxable Bonds

We issue secured/ unsecured, non-convertible, non-cumulative, redeemable, taxable, senior/subordinate bonds typically with a maturity of three to ten years from the date of issuance and bearing a fixed interest rate that depends upon market conditions at the time of issuance.

54EC – Capital Gain Tax Exemption Bonds

We began issuing 54 EC – Capital Gain Tax Exemption bonds from Fiscal 2001. Section 54EC of the Income Tax Act, 1961 relates to exemption of taxes on long term capital gains, if invested in these bonds, subject to limits and qualifications. We are, therefore, able to price such bonds at a lower rate of interest than would otherwise be available to us. In order to qualify for the tax exemption, these bonds must be held for period not

less than three years. Up to Fiscal 2007, these bonds have put dates or maturity dates at the end of three years from issuance and thereafter automatic redemption after the lock in period of three years. Since January 2007, the GoI has limited the amount of our bonds that an individual investor can utilise to offset long term capital gains to INR 0.50 crore in a financial year which has reduced the amount of bonds we have been able to offer for subsequent periods. The 54EC – capital gain tax exemption bonds are offered on a domestic private placement basis and are not listed on any exchange.

Infrastructure Bonds

We have issued infrastructure bonds, in Fiscal 2002 to 2005 u/s 88 of the Income Tax Act, and in Fiscal 2011 and 2012, u/s 80CCF of the Income Tax Act. Under provisions of Section 88 of the Income Tax Act, 1961, deduction is allowed from the amount of income tax (as computed before allowing the deductions under Chapter VI) on investor's total income, on investment of these bonds. Under provisions of Section 80CCF of the Income Tax Act, 1961, deduction is allowed from gross total income of an assessee on investment in these bonds and terms of the issue were subject to Notification No. 48/2010/F NO 149/84/2010-SO (TPL) issued by CBDT.

Our infrastructure bonds typically have a maturity of ten and fifteen years from the date of issuance and bear a fixed interest rate with buyback option after specified years i.e., 5/6/7/8/9 years. The infrastructure bonds were offered on a domestic private placement basis and bond issued in Fiscal 2011 & 2012 are listed on NSE and tradable after lock in period.

Tax-free Bonds

We have issued tax-free bonds up to Fiscal 2002 and thereafter issued in Fiscal 2012 to Fiscal 2014 and Fiscal 2016. Under provisions of the Income Tax Act, interest on these bonds was tax exempt for bondholders and we were therefore able to price such bonds at a lower rate of interest that would otherwise have been available to us. The weighted average annualise cost of borrowing on all of our outstanding tax free bonds as on March 31, 2017 was 8.07%.

The tax-free bonds issued up to Fiscal 2002, were offered on a domestic private placement basis and listed on the "whole sale debt market segment" of the NSE. The tax-free bonds issued in Fiscal 2012, were offered under domestic public issue and listed on the "whole sale debt market segment" of the BSE. The tax-free bonds issued in Fiscal 2013 & Fiscal 2014, were offered under domestic public issue & private placement and listed on the "retail debt market segment" and "whole sale debt market segment" respectively of the BSE and NSE. The tax-free bonds issued in Fiscal 2016 were offered under domestic public issue & private placement and listed on the "retail debt market segment" and "whole sale debt market segment" respectively of the BSE. Our tax free bonds typically have a maturity of ten, fifteen and twenty years from the date of issuance and bear a fixed interest rate.

Term loans from commercial banks and financial institutions

As on March 31, 2017, we had a total of three Rupee denominated secured term loan facilities from Life Insurance Corporation of India having outstanding balance of ₹ 750 crore as on 31/03/2017. These facilities are obtained on commercial terms and have varying maturity dates and interest rates. The weighted average annualised interest rate on all of our outstanding indebtedness under term loan facilities from commercial banks and financial institutions as on March 31, 2017 was 7.08%.

WCDL: As on March 31, 2017, an amount of ₹ NIL is outstanding on account of WCDL.

STL: As on March 31, 2017, nothing is outstanding on account of STL.

Loans from GoI: As on March 31, 2017, nothing is outstanding on account of GOI.

Commercial Paper: The Company mobilised funds through Commercial Paper during various years. These are obtained on varying maturity dates and interest rates. The weighted average annualised interest rate on all new borrowings through Commercial Paper during Fiscal 2016-17 was 6.71%. Commercial Paper of ₹ Nil are outstanding as on March 31, 2017.

6.5 Foreign Currency Resources

We first began arranging for foreign currency borrowings during Fiscal 2007. As on March 31, 2017, outstanding foreign currency loans are ₹ 21080.54 crores.

6.6 External Commercial borrowings in foreign currency

In Fiscal 2015, the Issuer raised ECB as under:

- Syndicated loan agreement through State Bank of India and Mizuho Bank Limited for USD 250 million. Loan under this agreement bear a variable interest at a spread of 170 basis points over six-month USD LIBOR and will mature in Fiscal 2020. As on March 31, 2017, this loan facility was fully drawn and USD 190 million hedged through principal only swap at 5.9160% pa and the balance is unhedged. Out of this agreement, USD 192.50 million has been repriced by the existing lenders at a variable interest at a spread of 75 basis points over six-month USD LIBOR. The balance USD 57.50 million have been prepaid through a fresh loan of balance maturity which bear a variable interest at a spread of 35 basis points over six-month USD LIBOR and will mature in Fiscal 2020.
- Syndicated loan agreement through State Bank of India, Hong Kong and Shanghai Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Bank of India, BNP Paribas and The Australia and New Zealand Banking Group Limited for USD 400 million. Loan under this agreement bear a variable interest at a spread of 150 basis points over six-month USD LIBOR and will mature in Fiscal 2020. As on March 31, 2017, this loan facility was fully drawn and hedged through principal only swap at 5.4157% p.a. This loan has been fully prepaid on Dec 27, 2017 through the proceeds of 3 Year 3.068% USD 400 million Reg-S Bonds. Also, the derivatives undertaken on the aforesaid loan have been unwinded.
- Syndicated loan agreement through Mizuho Bank, Ltd, State Bank of India and Sumitomo Mitsui Banking Corporation for USD 400 million. Loan under this agreement bear a variable interest at a spread of 117 basis points over six-month USD LIBOR and will mature in Fiscal 2020. As on March 31, 2017, this loan facility was fully drawn and USD 300 million hedged through principal only swap at 4.8877% pa and the balance is unhedged.

In Fiscal 2016, the Issuer raised ECB as under:

- Syndicated loan agreement through Mizuho Bank, Ltd, State Bank of India and Bank of Baroda for USD 300 million. Loan under this agreement bear a variable interest at a spread of 100 basis points over six-month USD LIBOR and will mature in Fiscal 2021. As on March 31, 2017, this loan facility was fully drawn and entire USD 300 million hedged through principal only swap at 4.9155% pa.
- Syndicated loan agreement for USD 250 million through Sumitomo Mitsui Banking Corporation, Mizuho Bank Ltd. and The Bank of Tokyo-Mitsubishi UFJ Ltd. to refinance the ECB of USD 250 Million raised in Fiscal 2013, as per approval of RBI. Loan under this agreement bear a variable interest at a spread of 70 basis points over six-month USD LIBOR and will mature in Fiscal 2019. As on March 31, 2017, this loan facility was fully drawn and USD 50 million hedged through principal only swap at 5.5295% pa, USD 50 million hedged through call spread options at 4.4985% pa and balance USD 150 million is unhedged.
- Syndicated loan agreement through State Bank of India and HSBC Banks (Mauritius) Limited for USD 300 million. Loan under this agreement bear a variable interest at a spread of 105 basis points over six-month USD LIBOR and will mature in Fiscal 2021. As on March 31, 2017, this loan facility was fully drawn and USD 75 million hedged through principal only swap at 4.9760% pa and USD 225 million hedged through call spread options at 4.0088% pa
- Syndicated loan agreement for USD 250 million through Mizuho Bank Ltd. and The Bank of Tokyo-Mitsubishi UFJ Ltd. to refinance the ECB of USD 250 Million raised in Fiscal 2013, as per approval of RBI. Loan under this agreement bear a variable interest at a spread of 65 basis points over six-month

USD LIBOR and will mature in Fiscal 2019. As on March 31, 2017, this loan facility was fully drawn and entire USD 300 million hedged through call spread options at 4.1859% pa.

- Syndicated loan agreement for USD 120 million through Australia and New Zealand Banking Group Limited to part-refinance the ECB of USD 250 Million raised in Fiscal 2013, as per approval of RBI. Loan under this agreement bear a variable interest at a spread of 95 basis points over six-month USD LIBOR and will mature in Fiscal 2019. As on March 31, 2017, this loan facility was fully drawn and entire USD 75 million hedged through call spread options at 4.44% pa.

In Fiscal 2017, the Issuer raised ECB as under:

- Bilateral loan agreement for USD 100 million through The Bank of Tokyo-Mitsubishi UFJ Ltd. Loan under this agreement bear a variable interest at a spread of 80 basis points over three-month USD LIBOR and will mature in Fiscal 2022. As on March 31, 2017, this loan facility was fully drawn and entire USD 100 million hedged through call spread options at 4.3195% pa.
- Syndicated loan agreement through The Bank of Tokyo-Mitsubishi UFJ Ltd., Mizuho Bank, Ltd., and Australia and New Zealand Banking Group Limited for USD 230 million. Loan under this agreement bear a variable interest at a spread of 80 basis points over one-month USD LIBOR and will mature in Fiscal 2022. As on March 31, 2017, this loan facility was fully drawn and entire USD 230 million hedged through call spread options at 3.5433% pa.

Bilateral credit agreements: We also have five foreign currency loan facilities from external bilateral credit agencies.

- In Fiscal 2006, we also entered into a loan agreement with JICA for financial assistance of JPY 20,629 million restated to 16,949.38 million w.e.f. 29.08.2012. This agreement bears a fixed interest rate of 0.75% per annum and matures in 2021. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of March 31, 2017, entire outstanding amount of JPY 16,949.38 million has been drawn under this facility.
- In Fiscal 2008, we entered into a second loan agreement with JICA for financial assistance of JPY 20,902 million restated to JPY 13,000 million w.e.f. 18.02.2012 and further restated to JPY 11,809 million w.e.f. 31.03.2016. This agreement bears a fixed interest rate of 0.65% per annum and matures in Fiscal 2023. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As on March 31, 2017, JPY 11,809 million have been fully drawn under this facility.
- In Fiscal 2007, we entered into a loan agreement with KfW for financial assistance of Euro 70 million. Loans under this agreement bear a fixed interest rate of 3.73% per annum and mature in 2018. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of March 31, 2017, entire loan amount of Euro 70 million has been drawn under this facility.
- In Fiscal 2009, we entered into a second loan agreement with KfW for financial assistance of Euro 70 million. This agreement bears a fixed interest rate of 2.89% per annum and matures in 2020. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of March 31, 2017, entire loan amount of Euro 70 million has been drawn under this facility.
- In Fiscal 2012, we entered into a third loan agreement with KfW for financial assistance of Euro 100 million. This agreement bears a fixed interest rate of 1.86% per annum and matures in 2024. The GoI has guaranteed borrowings under this facility for which we pay a guarantee fee. As of March 31, 2017, Euro 100 million has been fully drawn under this facility.

6.7. Business details of subsidiaries and their special purpose vehicles (SPVs) (as on December 31, 2017):

6.7.1. REC Transmission Projects Company Limited

RECTPCL was incorporated on January 8, 2007 as a public limited company and its registered office is situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India. It received its certificate of commencement of business on February 5, 2007. RECTPCL is engaged inter alia in the business of, to promote, organise or carry on the business of consultancy services and/or project implementation in any field of activity relating to transmission and distribution of electricity in India or abroad.

6.7.2. REC Power Distribution Company Limited

RECPDCL was incorporated on July 12, 2007 as a public limited company and its registered office is situated at Core-4, SCOPE Complex, 7, Lodhi Road, New Delhi 110 003, India. It received its certificate of commencement of business on July 31, 2007. RECPDCL is presently engaged inter alia in the business of, to promote, develop, construct, own, operate, distribute and maintain 66KV and below voltage class electrification, distribution, electric supply lines or distribution system.

6.7.3 Dinchang Transmission Limited

Dinchang Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited December 2, 2015 as transmission service provider for Transmission system for Phase-I Generation Projects in Arunachal Pradesh. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RFQ of the project was issued on December 4, 2015. Five bidders have participated at the RFQ stage and all five bidders have qualified to participate in next stage of bidding i.e. RFP. The RFP for the project has been issued w.e.f April 13, 2016. However, the bidding process has been kept in abeyance as per the instructions from Central Electricity Authority (CEA).

6.7.4 Ghatampur Transmission Limited

Ghatampur Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited on December 2, 2016 as transmission service provider for evacuation of Power from 3x660 MW Ghatampur Thermal Power Project. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RfQ of the project was issued on September 3, 2016. Four bidders participated at the RFQ stage out of which three bidders have qualified to participate in next stage of bidding i.e. RFP. The RFP for the project will be issued shortly.

6.7.5 ERSS XXI Transmission Limited

ERSS XXI Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited on January 11, 2017 to undertake activities for transmission systems relating to Eastern Region Strengthening Scheme -XXI (ERSS-XXI). A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of developer as Transmission Service Provider. The RFQ for the project has been issued on November 21, 2016 and RFP has been issued on February 27, 2017. Further, the bidding process is expected to be completed shortly.

6.7.6 WR-NR Power Transmission Limited

WR-NR Power Transmission Limited has been incorporated as a Special Purpose Vehicle as a wholly owned subsidiary of REC Transmission Projects Company Limited on January 12, 2017 to undertake activities for New WR- NR 765 kV Inter-regional corridor. A two stage Bidding process featuring separate Request for Qualification (RFQ) and Request for Proposal (RFP) has been adopted in accordance with tariff based competitive bidding guidelines of Ministry of Power, GoI for selection of

developer as Transmission Service Provider. The RFQ for the project has been issued on November 21, 2016 and RFP has been issued on February 27, 2017. Further, the bidding process is expected to be completed shortly.

SECTION VII OUR MANAGEMENT

7.1. DETAILS OF THE BOARD

Under our Articles of Association, we are required to have not less than three directors and not more than fifteen directors. We currently have seven (7) directors out of which three (3) are Executive Directors including the Chairman and Managing Director, one (1) is Government Nominee Director and three (3) are Part time Non Official Independent Directors including one Woman Director.

The following table sets forth details regarding our Board as on the date of this Private Placement Offer Letter i.e. March 20, 2018.

Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
Dr. P.V. Ramesh S/o Shri Penumaka Subba Rao Chairman and Managing Director Occupation: Service (IAS) DIN: 02836069 Age: 58 years Nationality: Indian	B-326, Chandgi Ram Block, Asian Games Village Complex, Near Siri Fort Auditorium, New Delhi - 110049, India.	January 5, 2017	<ul style="list-style-type: none"> REC Transmission Projects Company Limited REC Power Distribution Company Limited 	MoP Order No. 46/8/2011-RE dated February 16, 2017
Shri Ajeet Kumar Agarwal S/o Late Shri Shree Gopal Agarwal Director (Finance) Occupation: Service DIN: 02231613 Age: 57 years Nationality: Indian	C-601, Plot GH-7, Shiksha Niketan Apartment, Sector 5, Vasundhara, Ghaziabad, 201012, Uttar Pradesh, India	August 1, 2012	<ul style="list-style-type: none"> REC Transmission Projects Company Limited Indian Energy Exchange Limited REC Power Distribution Company Limited 	MoP Order No. 46/9/2011-RE dated May 17, 2012 read with MoP Order No. 46/9/2011-RE dated 19 th July, 2017
Shri Sanjeev Kumar Gupta S/o Shri Bhukan Saran Gupta Director (Technical) Occupation: Service DIN: 03464342 Age: 56 years Nationality: Indian	16-C, Nilgiri-1 Apartment, Sector 34, Noida 201307, Uttar Pradesh, India	October 16, 2015	<ul style="list-style-type: none"> REC Power Distribution Company Limited REC Transmission Projects Company Limited 	MoP Order No. 46/14/2014-RE dated October 16, 2015
Dr. Arun Kumar Verma S/o Late Shri Siya Kant Prasad Government Nominee Director	E-203, Central Government Residential Complex, Deen Dayal Upadhyay Marg, New Delhi – 110002, India	October 6, 2015	<ul style="list-style-type: none"> Power Finance Corporation Limited PTC India Limited 	MoP Order No. 46/8/2015-RE dated October 6, 2015

Name, Father's/Husband's Name, Designation, Occupation, DIN, Age and Nationality	Residential Address	Director of the Company Since	Other Directorships	Appointment / Resignation
Occupation: Service DIN: 02190047 Age: 58 years Nationality: Indian				
Shri Aravamudan Krishna Kumar S/o Shri K. Aravamudan Part time Non Official (Independent) Director Occupation: Retired Banker DIN: 00871792 Age: 63 years Nationality: Indian	Flat No. 1001, Block C, Fortune Towers, Madhapur, Hyderabad – 500081, India	November 13, 2015	<ul style="list-style-type: none"> Andhra Bank Suraksha Asset Reconstruction Private Limited Sathguru Catalyser Advisors Private Limited Central Depository Services (India) Limited TVS Wealth Private Limited 	MoP Order No. 46/2/2010-RE- Vol.II (Part-IV) dated November 13, 2015
Prof. Tiruvallur Thattai Rammohan S/o Shri T.T. Vijayaraghavan Part time Non Official (Independent) Director Occupation: Professor DIN: 00008651 Age: 62 years Nationality: Indian	House No. 504, Indian Institute of Management, Vastrapur, Ahmedabad – 380015, India	November 13, 2015	<ul style="list-style-type: none"> SBICAP Securities Limited IndusInd Bank Limited Canara HSBC Oriental Bank of Commerce Life Insurance Company Limited 	MoP Order No. 46/2/2010-RE- Vol.II (Part-IV) dated November 13, 2015
Smt. Asha Swarup W/o Shri Dev Swarup Part time Non Official (Independent) Director Occupation: Retired IAS Officer DIN: 00090902 Age: 67 years Nationality: Indian	“UDAY”, Lower Ramnagar, Near Dr. Mahajan's Clinic, Dharamsala, District Kangra, Himachal Pradesh–176215, India	February 8, 2017	-None-	MoP Order No. 46/2/2010-RE- Vol.II (Part-IV) dated February 8, 2017

None of the current Directors of the Issuer appear in the RBI's defaulter list and/or ECGC default list.

Corporate Governance

Our Company has been complying with the requirements of Corporate Governance as prescribed under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. As on date, the composition of the Board of Directors is three (3) Executive Directors including the Chairman and Managing Director, one (1) Government Nominee Director and three (3) Part time Non Official Independent Directors including one Woman Director.

It is informed that recently, Shri Arun Singh (DIN - 00891728) has resigned from the Company as a Part-time Non-official Independent Director w.e.f. 8th March, 2018, due to personal reasons. Hence, the Company is required to appoint one (1) Part-time Non-official Independent Director in his place within the time stipulated

for this purpose under the statutory provisions. At present, the Company is in compliance with the provisions of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

Details of Changes in Directors in last 3 years:

Name	DIN	Designation	Date of Appointment	Date of Completion of tenure/ Resignation Date	Reason
Shri Badri Narain Sharma	01221452	Government Nominee Director	August 23, 2012	October 6, 2015	Ceased to be a Director pursuant to a notification by the MoP, GoI.
Shri Prakash Thakkar	01120152	Director (Technical)	May 2, 2011	October 12, 2015	Ceased to be a Director pursuant to resignation.
Shri Rajeev Sharma	00973413	Chairman & Managing Director	November 29, 2011	October 1, 2016	Ceased to be a Director pursuant to relinquishment of charge as CMD.
Shri Bhagwati Prasad Pandey	01393312	Chairman & Managing Director	October 1, 2016	January 5, 2017	Ceased to hold the additional charge of CMD REC, pursuant to the appointment of Dr. P.V. Ramesh as CMD REC w.e.f. January 5, 2017.
Dr. Arun Kumar Verma	02190047	Government Nominee Director	October 6, 2015	Continuing	Appointment pursuant to a notification by the MoP, GoI.
Shri Sanjeev Kumar Gupta	03464342	Director (Technical)	October 16, 2015	Continuing	Appointment pursuant to a notification by the MoP, GoI.
Shri Arun Singh	00891728	Part time Non Official (Independent) Director	November 13, 2015	March 8, 2018	Resigned w.e.f. March 8, 2018 due to personal reasons.
Shri Aravamudan Krishna Kumar	00871792	Part time Non Official (Independent) Director	November 13, 2015	Continuing	Appointment pursuant to a notification by the MoP, GoI.
Prof. Tiruvallur Thattai Rammohan	00008651	Part time Non Official (Independent) Director	November 13, 2015	Continuing	Appointment pursuant to a notification by the MoP, GoI.
Dr. P.V. Ramesh	02836069	Chairman & Managing Director	January 5, 2017	Continuing	Appointed pursuant to a notification by the MoP, GoI.
Smt. Asha Swarup	00090902	Part time Non Official (Independent) Director	February 8, 2017	Continuing	Appointment pursuant to a notification by the MoP, GoI.
Shri Ajeet Kumar Agarwal	02231613	Director (Finance)	August 1, 2012	Continuing	Extension of tenure of original appointment vide MoP Order No. 46/9/2011-RE dated 19 th July, 2017. (The original appointment was vide MoP Order No. 46/9/2011-RE dated May 17, 2012).

SECTION VIII DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC.

8.1. INTERESTS OF OUR DIRECTORS

Except as otherwise stated in “Financial Statements – Related Party Transactions” our Company has not entered into any contract, agreements and arrangement during the three financial years preceding the date of this Private Placement Offer Letter in which the directors are interested directly or indirectly and no payments have been made to them in respect of such contracts or agreements.

All our Directors, including our Independent Director, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them.

8.2. INTEREST OF KEY MANAGERIAL PERSONS/PROMOTERS IN THE OFFER

All KMPs, may be deemed to be interested to the extent of remuneration and reimbursement of expenses if any payable to them, as well as to the extent of shareholding held by them in the Company.

Promoter (i.e. President of India) may be deemed to be interested to the extent of shareholding held in the Company.

8.3. LITIGATION

Since the Government of India is the Promoter of the Company, it is not possible to give details of litigations, legal actions or directions pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of the Company during the last three years.

8.4. REMUNERATION OF DIRECTORS

8.4.1. Chairman and Managing Director and Whole Time Directors

The following table sets forth the details of remuneration paid to the Whole Time Directors up to Q3, FY 2017-18:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹) #	Perquisites, other Benefits (₹) ##	Total (₹)
Shri. P.V. Ramesh,CMD (w.e.f. 5th Jan 2017)	22,43,965	3,34,196	25,78,161
Shri Ajeet Kumar Agarwal, Director (Finance)	40,24,482	5,88,562	46,13,044
Shri Sanjiv Kumar Gupta, Director (Technical)	41,99,019	7,39,840	49,38,859

Note :

The above salaries & allowances are as per Sec 17(1), include allowances exempt u/s 10 & taxable medical payments but exclude exempt medical and uniform reimbursements.

This includes Perquisites as per Sec 17(2) and Employer Share towards Provident Fund and Superannuation Fund but excludes EEH payments, TA related payments, gratuity contribution paid by company, based on actuarial valuation to the REC Gratuity Fund.

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2017:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹) #	Perquisites, other Benefits (₹) ##	Total (₹)

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹) #	Perquisites, other Benefits (₹) ##	Total (₹)
Shri. P.V. Ramesh,CMD (w.e.f. 5th Jan 2017)	7,27,792	2,010	7,29,802
Shri Bhagwati Prasad Pandey, CMD (w.e.f. October 5, 2016) *	0	0	0
Shri Rajeev Sharma, CMD (upto 1st Oct 2016)	36,21,986	11,41,999	47,63,985
Shri Ajeet Kumar Agarwal, Director (Finance)	45,28,339	10,53,756	55,82,095
Shri Sanjiv Kumar Gupta, Director (Technical)	41,01,989	8,62,004	49,63,993

Note :

- # The above salaries & allowances are as per Sec 17(1), include taxable medical payments but exclude exempt medical and uniform reimbursements.
- ## This includes Perquisites as per Sec 17(2) and Employer Share towards Provident Fund and Superannuation Fund but excludes EEH payments, TA related payments, gratuity contribution paid by company, based on actuarial valuation to the REC Gratuity Fund.
- * Shri Bhagwati Prasad Pandey had been given additional charge of CMD of REC.

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2016:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Perquisites, other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	47,77,084	10,48,630	58,25,714
Shri Ajeet Kumar Agarwal, Director (Finance)	42,46,990	2,60,905	45,07,895
Shri Prakash Thakkar, Director (Technical) upto 12.10.2015	47,07,475	11,61,156	58,68,631
Shri Sanjiv Kumar Gupta, Director (Technical) w.e.f 16.10.2015	20,00,858	2,20,612	22,21,470

The following table sets forth the details of remuneration paid to the Whole Time Directors during the Fiscal 2015:

Name of the Director	Salary & Allowances, Performance linked Incentive/Ex-gratia (₹)	Perquisites, other Benefits (₹)	Total (₹)
Shri Rajeev Sharma, CMD	54,96,408	10,64,892	65,61,300
Shri Ajeet Kumar Agarwal, Director (Finance)	40,55,935	7,32,450	47,88,385
Shri Prakash Thakkar, Director (Technical)	4746923	11,18,630	58,65,553

8.4.2. Remuneration of Part-time Non official Directors

The Part- time Non official Independent Directors do not have any material pecuniary relationship or transaction with the Company. The Board of Directors in their meeting held on May 28, 2013 decided to pay following as sitting fee to Part time Non-official Independent Directors for Board/Committee meeting:

S. No	Meetings	Sitting fees per Meeting (in ₹)
1	Board Meeting	20,000
2	Committee Meeting	20,000

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2017:

Sl. No.	Name of Part-time Non-official Independent Director	Sitting Fees		Total
		Board Meeting	Committee Meeting	
1.	Shri Arun Singh	1,40,000	1,60,000	3,00,000
2.	Shri A. Krishna Kumar	1,80,000	4,60,000	6,40,000
3.	Prof. T.T. Ram Mohan	1,80,000	3,60,000	5,40,000
4.	Ms. Asha Swarup	40,000	40,000	80,000
	Total			15,60,000

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2016:

Sl. No.	Name of Part-time Non-official Independent Director	Sitting Fees		Total
		Board Meeting	Committee Meeting	
1.	Shri Arun Singh	60,000	60,000	1,20,000
2.	Shri A. Krishna Kumar	80,000	1,40,000	2,20,000
3.	Prof. T.T. Ram Mohan	80,000	1,20,000	2,00,000
	Total			5,40,000

Set forth below are the details of the sitting fees paid to Independent Directors during Fiscal 2015:

S. No	Name of the Part time Non official Independent Directors	Sitting fees (in ₹)		Total (in ₹)
		Board Meeting	Committee Meeting	
1	Dr. Devi Singh*	40,000	1,00,000	1,40,000
2	Shri Venkataraman Subramanian	40,000	60,000	1,00,000
3	Dr. Sunil Kumar Gupta	1,80,000	2,60,000	4,40,000

* Dr. Devi Singh was additionally paid ₹10,000 by way of honorarium for attending meeting of Departmental Promotion Committee (DPC).

8.5. Relationship with other Directors

None of the Directors of the Company are, in any way, related to each other.

8.6. RELATED PARTY TRANSACTIONS

Related party transactions entered during the last 3 financial years immediately preceding the year of circulation of this Private Placement Offer Letter including with regard to loans made or guarantees given or securities provided:

FY 2016-17, 2015-16 and 2014-15:

Details of amount due from/ to the related parties:

Particulars	As at 31.03.2017	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
Long-term Debt			
RECTPCL	60.00	60.00	60.00
RECPDCL	10.44	10.44	7.00
Key Managerial Personnel	0.10	0.10	0.17
Loans & Advances			
RECTPCL	0.28	0.22	2.04
RECPDCL	1.07	0.73	-
Key Managerial Personnel	0.50	0.83	0.29

Other Current Liabilities			
RECPDCL	1.51	5.37	2.27
RECTPCL	-	-	1.05

Details of Transactions with the related parties:

Particulars	As at 31.03.2017	As at 31.03.2016	(₹ in Crores) As at 31.03.2015
Long Term Debt - Amount Invested			
RECTPCL	-	-	-
RECPDCL	-	3.44	-
Key Managerial Personnel	-	0.01	-
Loans & Advances			
Key Managerial Personnel	0.06	0.53	0.04
Sale of Fixed Assets			
RECPDCL	-	0.01	-
Investment in Share Capital (including applied for)			
EESL	-	124.00	-
Disbursement from Subsidy/ Grant Received from Govt. of India			
RECPDCL	-	6.90	-
Dividend from Subsidiaries			
RECTPCL	8.65	9.51	0.10
RECPDCL	10.85	0.50	0.25
Interest Income - Loans & Advances			
RECTPCL	-	-	-
Key Managerial Personnel	0.03	0.04	0.06
Apportionment of Employee Benefit and Other Expenses			
RECTPCL	2.56	2.35	2.58
RECPDCL	4.65	4.32	2.20
Finance Cost			
Interest Paid to RECTPCL	4.70	4.70	4.70
Interest Paid to RECPDCL	0.82	0.64	0.54
Interest Paid to Key Managerial Personnel	0.01	0.01	0.01
Employee Benefits Expense - Managerial Remuneration	2.09	2.33	1.91
CSR Expenses			
RECPDCL	14.25	91.77	19.04
EESL	0.86	0.28	1.59
Other Expenses			
RECPDCL	30.65	2.22	7.31

8.7. DETAILS OF ANY INSPECTIONS/INVESTIGATION/INQUIRY CONDUCTED UNDER COMPANIES ACT, 2013 AND PREVIOUS COMPANY LAW DURING THE LAST THREE YEARS AGAINST THE COMPANY OR ITS SUBSIDIARIES

NIL

8.8. DETAILS OF ANY INQUIRY, INSPECTIONS OR INVESTIGATIONS INITIATED OR CONDUCTED UNDER THE COMPANIES ACT OR ANY PREVIOUS COMPANY LAW IN THE LAST THREE YEARS IMMEDIATELY PRECEDING THE YEAR OF CIRCULATION OF

PRIVATE PLACEMENT OFFER LETTER AGAINST THE COMPANY AND ITS SUBSIDIARIES

There has been no inquiry, inspection or investigation initiated or conducted against the Company or its subsidiaries under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of Private Placement Offer Letter. Further there was no prosecution filed, fines imposed, compounding of offences against the Company or its subsidiaries in the last three years immediately preceding the year of circulation of Private Placement Offer Letter.

8.9. DETAILS OF DEFAULT(S) AND/OR DELAY(S) IN PAYMENTS OF ANY KIND OF STATUTORY DUES, DEBENTURES/ BONDS/ DEBT SECURITIES AND INTEREST THEREON, DEPOSITS AND INTEREST THEREON, LOANS FROM ANY BANK OR FINANCIAL INSTITUTION AND INTEREST THEREON AND OTHER FINANCIAL INDEBTEDNESS INCLUDING CORPORATE GUARANTEE ISSUED BY THE COMPANY.

8.9.1 The Issuer has not defaulted on payment of any kind of statutory dues to the Government of India, State Government(s), statutory/ regulatory bodies, authorities, departments etc., since inception.

8.9.2 The main constituents of the Issuer's borrowings are generally in form of debentures/bonds/debt securities, commercial paper, medium term notes ("MTNs"), external commercial borrowings ("ECBs"), loans from banks and financial institutions, assistance from multilateral and bilateral financing agencies etc. In respect of such borrowings, the Issuer certifies that:

- (i) it has serviced all the principal and interest liabilities on all its borrowings on time and there has been no instance of delay or default since inception; and
- (ii) it has not affected any kind of roll over or restructuring against any of its borrowings in the past.

8.9.3 The Issuer has not defaulted on any of its payment obligations arising out of any corporate guarantee issued by it to any counterparty including its subsidiaries, joint venture entities, group companies etc. in the past.

8.10. DETAILS OF ACTS OF MATERIAL FRAUDS COMMITTED AGAINST THE COMPANY IN THE LAST THREE YEARS, IF ANY, AND IF SO, THE ACTION TAKEN BY THE COMPANY

There has been no act of material fraud committed against the Company in the last three years immediately preceding the year of circulation of Private Placement Offer Letter.

8.11. OUTSTANDING BORROWINGS/ DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH, WHETHER IN WHOLE OR PART, AT A PREMIUM OR DISCOUNT, OR IN PURSUANCE OF AN OPTION

Other than and to the extent mentioned elsewhere in the Private Placement Offer Letter, the Issuer has not issued any debt securities or agreed to issue any debt securities or availed any borrowings for a consideration other than cash, whether in whole or in part, at a premium or discount or in pursuance of an option since inception.

8.12. AUDITORS' QUALIFICATIONS

Details with respect to qualifications, reservations and adverse remarks of the auditors of the Company in the last five financial years immediately preceding the year of circulation of Private Placement Offer Letter and their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said qualifications, reservations and adverse remarks are given as under:

Financial Year	Auditors' qualifications, reservations and adverse remarks
2016-17	Nil
2015-16	Nil
2014-15	Nil
2013-14	Nil
2012-13	Nil

SECTION IX MANAGEMENT'S PERCEPTION OF RISK FACTORS

MANAGEMENT PERCEPTION OF RISK FACTOR

The Investor should carefully consider all the information in this Private Placement Offer Letter, including the risks and uncertainties described below before making an investment in the Bonds. The risks and uncertainties described in this section are not the only risks that we currently face. Additional risks and uncertainties not known to us or that we currently believe to be immaterial may also have an adverse effect on our business, prospects, results of operations and financial condition.

RISK RELATING TO BUSINESS OR INDUSTRY

1. Our business depends upon policies and support provided by GoI. We are also regulated by other laws i.e. Companies Act, 2013, guidelines by RBI, SEBI, stock exchanges and other applicable laws. GoI may withdraw its support, tax incentives etc. and can come up with the policies/regulations/laws which may be inconsistent with our business objectives. Any such adverse change in policies of the GoI may affect our business. Also, as a majority stake holder and Promoter, GoI could require us to take actions designed to serve the public interest in India and not necessarily to maximize our profits.
2. Our competitive efficiency depends on our capacity to maintain low cost of funds. Any increase in cost of funds will adversely affect our business. Adverse change in exchange rates on account of our foreign currency borrowings and volatility of interest rates both in International and Domestic Debt Markets may lead to increase in the cost of funds.
3. Any negative trends or financial difficulties, particularly among the borrowers and borrower groups to whom we have the greatest exposure, including SEBs and SPUs, could increase the level of NPAs in our portfolio and that may make us unable to service our outstanding indebtedness. SEBs which were our borrowers and have been restructured may not have transferred liabilities related with loans to new entity, which may affect our ability to enforce the applicable provisions of the original agreement.
4. We may face potential liquidity risks due to varying periods over which our assets and liabilities mature.
5. We are involved in large number of litigations and any adverse decision in these cases may affect our financial conditions.
6. We may not have obtained sufficient security and collateral from our borrowers, or we may not be able to recover or enforce, or there may be a delay in recovering or enforcing, the expected value from any security and collateral which could have a material adverse effect on our business, financial condition and results of operations.
7. The escrow account mechanism for the payment obligations of our state sector borrowers may not be effective, which may reduce our recourse in the event of defaulted loans and could have a material adverse effect on our business, financial condition and results of operations.
8. We have granted loans to the private sector on a non-recourse or limited recourse basis, which may increase the risk of non-recovery and could expose us to significant losses.
9. Our Directors may have interests in companies/entities similar to ours, which may result in a conflict of interest that may adversely affect future financing opportunity referrals and there can be no assurance that these or other conflicts of interest will be resolved in an impartial manner. We have entered and may enter into certain transactions with related parties, which may not be on an arm's length basis or may lead to conflicts of interest.

10. We are subject to restrictive covenants, in the agreements entered into with certain banks and financial institutions for our borrowings, like to maintain credit ratings, financial ratios etc. Such restrictive covenants may restrict our operations or ability to expand and may adversely affect our business. Further non-compliance by our borrowers to comply with terms and conditions like security and insurance etc. will affect our ability to recover the loan.
11. Power projects carry various project specific and general risk, which are beyond control of REC including non conversion of letter of assurance/ MoU by coal suppliers into binding fuel supply agreement, delays in development of captive coal mines, adverse changes in demand for, or the price of, power generated or distributed by the projects to which we lend, the willingness and ability of consumers to pay for the power produced by projects to which we lend, increased cost due to environmental changes etc. Any adverse change in such conditions may affect our business.
12. We have been granted certain exemption by various authorities like RBI etc. Withdrawal of such exemptions may affect our competitive strength.
13. We may not be in compliance with certain regulations like corporate governance etc. and the same may result in imposition of penalties on us.
14. With the computerization of the accounting, payroll, human resource systems and other areas of our Company, there is every possibility of cybercrimes and frauds related to hacking of internal systems, possibility of manual intervention which may lead to destruction of our data.

RISKS RELATING TO INVESTMENT IN THE BONDS

1. There has been only limited trading in these Bonds. Further, there is no guarantee that these bonds will be listed on the stock exchanges in a timely manner or at all.
2. Our ability to pay interest and redemption depends on variety of factors including our financial conditions, Indian and global market conditions, event of bankruptcy, winding up and liquidation. We cannot assure you of payment of principal amount or interest in a timely manner or at all.
3. No Debenture Redemption Reserve is envisaged against the Bonds being issued under the terms of this Private Placement Offer Letter. In absence of Debenture Redemption Reserve investor may find it difficult to recover their money.
4. Any down grading in rating of bonds will affect the prices of these Bonds.

EXTERNAL RISK FACTOR

1. A slow- down in economic growth of India, shortages in the supply of crude oil, natural gas or coal, political instability, labour unrest, strikes, or changes in the government, international financial regulations, natural calamity, act of terrorism, war, riot etc. may affect our business. Any adverse change in such conditions may result in difficulties in obtaining funding on attractive terms.
2. Any adverse revisions to India's sovereign credit ratings for domestic and international debt by credit rating agencies may adversely impact the interest rates and other commercial terms at which such financing is available to us.
3. The Indian capital market is developing and maturing at good pace and the same may cause a shift in the pattern of power sector financing. In case our borrowers start directly accessing the market same may affect our business.

SECTION X CAPITAL STRUCTURE AND FINANCIAL POSITION OF THE ISSUER

10.1. CAPITAL STRUCTURE

10.1.1. The equity share capital of our Company, as on December 31, 2017, is set forth below:

(₹ in crores, except share data)

	Aggregate value at nominal value
A) AUTHORISED SHARE CAPITAL	
500,00,00,000 Equity Shares of face value of ₹10/- each	5,000.00
B) ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	
197,49,18,000 Equity Shares of face value of ₹10/- each fully paid up	1974.92
C) SECURITIES PREMIUM ACCOUNT	2236.54

Notes:

Since the present offer comprises of issue of non-convertible debt securities, it shall not affect the paid-up equity share capital or share premium account of the Company after the offer.

10.1.2. Changes in the Capital Structure for last five years

There is no change in the capital structure of the Company as on December 31, 2017, for the last five years other than as mentioned below.

10.1.3. Share Capital History

Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
October 7, 1969	2,000	1,000	1,000	Initial subscription ⁽¹⁾	Cash	Nil	2,000,000	2,000,000
January 30, 1970	28,000	1,000	1,000	Further issue	Cash	Nil	28,000,000	30,000,000
December 2, 1970	60,000	1,000	1,000	Further issue	Cash	Nil	60,000,000	90,000,000
April 30, 1971	20,000	1,000	1,000	Further issue	Cash	Nil	20,000,000	110,000,000
January 28, 1972	10,000	1,000	1,000	Further issue	Cash	Nil	10,000,000	120,000,000
August 28, 1972	80,000	1,000	1,000	Further issue	Cash	Nil	80,000,000	200,000,000
September 27, 1973	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	270,000,000
March 23, 1974	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	310,000,000
October 31, 1974	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	410,000,000
February 20, 1975	90,000	1,000	1,000	Further issue	Cash	Nil	90,000,000	500,000,000
March 8, 1976	50,000	1,000	1,000	Further issue	Cash	Nil	50,000,000	550,000,000
August 17, 1976	50,000	1,000	1,000	Further issue	Cash	Nil	50,000,000	600,000,000
July 30, 1977	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	670,000,000
September 4, 1978	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	770,000,000
July 25, 1979	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	870,000,000

Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
April 23, 1980	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	910,000,000
August 23, 1980	15,000	1,000	1,000	Further issue	Cash	Nil	15,000,000	925,000,000
September 22, 1980	75,000	1,000	1,000	Further issue	Cash	Nil	75,000,000	1,000,000,000
July 27, 1981	100,000	1,000	1,000	Further issue	Cash	Nil	100,000,000	1,100,000,000
May 10, 1982	16,600	1,000	1,000	Further issue	Cash	Nil	16,600,000	1,116,600,000
August 16, 1982	83,400	1,000	1,000	Further issue	Cash	Nil	83,400,000	1,200,000,000
May 28, 1983	16,600	1,000	1,000	Further issue	Cash	Nil	16,600,000	1,216,600,000
August 3, 1983	83,400	1,000	1,000	Further issue	Cash	Nil	83,400,000	1,300,000,000
August 17, 1984	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	1,410,000,000
May 29, 1985	30,000	1,000	1,000	Further issue	Cash	Nil	30,000,000	1,440,000,000
August 6, 1985	60,000	1,000	1,000	Further issue	Cash	Nil	60,000,000	1,500,000,000
December 17, 1985	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	1,610,000,000
May 21, 1986	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	1,650,000,000
July 16, 1986	220,000	1,000	1,000	Further issue	Cash	Nil	220,000,000	1,870,000,000
June 8, 1987	47,000	1,000	1,000	Further issue	Cash	Nil	47,000,000	1,917,000,000
August 6, 1987	239,000	1,000	1,000	Further issue	Cash	Nil	239,000,000	2,156,000,000
May 27, 1988	53,300	1,000	1,000	Further issue	Cash	Nil	53,300,000	2,209,300,000
July 30, 1988	266,700	1,000	1,000	Further issue	Cash	Nil	266,700,000	2,476,000,000
June 14, 1989	58,300	1,000	1,000	Further issue	Cash	Nil	58,300,000	2,534,300,000
July 20, 1989	291,700	1,000	1,000	Further issue	Cash	Nil	291,700,000	2,826,000,000
November 15, 1990	300,000	1,000	1,000	Further issue	Cash	Nil	300,000,000	3,126,000,000
January 28, 1991	70,000	1,000	1,000	Further issue	Cash	Nil	70,000,000	3,196,000,000
May 27, 1991	30,000	1,000	1,000	Further issue	Cash	Nil	30,000,000	3,226,000,000
August 21, 1991	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	3,426,000,000
November 27, 1991	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	3,626,000,000
June 11, 1992	65,000	1,000	1,000	Further issue	Cash	Nil	65,000,000	3,691,000,000
September 17, 1992	210,000	1,000	1,000	Further issue	Cash	Nil	210,000,000	3,901,000,000
June 18, 1993	190,000	1,000	1,000	Further issue	Cash	Nil	190,000,000	4,091,000,000

Date of Issue/ allotment	No. of equity shares of our Company	Face Value (₹)	Issue price (₹)	Nature for allotment	Consideration in Cash/ other than cash	Cumulative Share Premium	Equity Share Capital (₹)	Cumulative Equity Share Capital (₹)
September 10, 1993	295,000	1,000	1,000	Further issue	Cash	Nil	295,000,000	4,386,000,000
February 23, 1994	40,000	1,000	1,000	Further issue	Cash	Nil	40,000,000	4,426,000,000
August 23, 1994	200,000	1,000	1,000	Further issue	Cash	Nil	200,000,000	4,626,000,000
November 22, 1994	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	4,866,000,000
August 25, 1995	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	5,106,000,000
September 13, 1995	240,000	1,000	1,000	Further issue	Cash	Nil	240,000,000	5,346,000,000
August 27, 1996	370,000	1,000	1,000	Further issue	Cash	Nil	370,000,000	5,716,000,000
November 21, 1996	110,000	1,000	1,000	Further issue	Cash	Nil	110,000,000	5,826,000,000
July 31, 1997	170,000	1,000	1,000	Further issue	Cash	Nil	170,000,000	5,996,000,000
September 5, 1997	310,000	1,000	1,000	Further issue	Cash	Nil	310,000,000	6,306,000,000
June 29, 1998	160,000	1,000	1,000	Further issue	Cash	Nil	160,000,000	6,466,000,000
September 4, 1998	340,000	1,000	1,000	Further issue	Cash	Nil	340,000,000	6,806,000,000
December 14, 2000	500,000	1,000	1,000	Further issue	Cash	Nil	500,000,000	7,306,000,000
March 13, 2002	500,000	1,000	1,000	Further issue	Cash	Nil	500,000,000	7,806,000,000
<i>The face value of equity shares of our Company were split from a face value of ₹ 1,000 per equity share to ₹10 per equity share pursuant to a resolution of our shareholders dated September 27, 2002.</i>								
March 5, 2008	78,060,000	10	105	<i>Initial public offering</i>	<i>Cash</i>	***	780,600,000	8,586,600,000
March 5, 2010	128,799,000	10	(193-215)	<i>Further public offering</i>	<i>Cash</i>	***	1,287,990,000	9,874,590,000
September 30, 2016	98,74,59,000	10	NIL	<i>Bonus shares</i>	--	--	987,45,90,000	1974,91,80,000

Our Company has issued Bonus shares in the ratio 1:1 to the shareholders of the Company on September 30, 2016. Apart from this, our Company has not made any issue of Equity Shares during the preceding one year from the date of this Private Placement Offer Letter.

10.1.4. Our Shareholding Pattern

The table below represents the shareholding pattern of our Company as SEBI (Listing Obligation and Disclosure Requirements), 2015, as on December 31, 2017:

Table I - Summary Statement holding of specified securities

Category	Category of Shareholder	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (VII) = (IV)+(V) +(VI)	Shareholding as a % of total no of shares (As a % of (A+B+C2))	Number of Voting Rights held in each class of securities			No of Shares Under-standing convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form			
								No of Voting Rights					Total as a % of (A+B+C)					
								Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)			(X)	(XI)	(XII)	(XIII)	(XIV)			
(A)	Promoter & Promoter Group	1	1151678783	0	0	1151678783	58.32	1151678783	0	1151678783	58.32	0	58.32	0	0.00	0	0.00	1151678783
(B)	Public	328163	823239217	0	0	823239217	41.68	823239217	0	823239217	41.68	0	41.68	0	0.00	NA	NA	823184218
(C)	Non Promoter-Non Public																	
(C1)	Shares underlying DRs	0	0	0	0	0	NA	0	0	0	0.00	0	NA	0	0.00	NA	NA	0
(C2)	Shares held by Employes Trusts	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total:	328164	1974918000	0	0	1974918000	100.00	1974918000	0	1974918000	100.00	0	100.00	0	0.00	0	0.00	1974863001

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category	Category & Name of the Shareholder	PAN	No of Shareholders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Share holding as a % of total no of shares (calculated as per SCRR, 1957 (VIII) As a % of (A+B+C2	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (VII)+(X) As a % of (A+B+C2)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form					
									No of Voting Rights												
									Class X	Class Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)								
(1)	Indian																				
(a)	Individuals/ Hindu undivided Family		0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0					
(b)	Central Government/ State Government (s)		1	151678783	0	0	151678783	58.32	151678783	0	151678783	58.32	0	58.32	0	0.00	0				
	PRESIDENT OF INDIA	EXEMPTCATG	1	151678783	0	0	151678783	58.32	151678783	0	151678783	58.32	0	58.32	0	0.00	0				
(c)	Financial Institutions/ Banks			0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0				
(d)	Any Other		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0				
	Sub-Total (A)(1)		1	151678783	0	0	151678783	58.32	151678783	0	151678783	58.32	0	58.32	0	0.00	0				
(2)	Foreign																				

(a)	Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
(b)	Government	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
(c)	Institutions	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
(d)	Foreign Portfolio Investor	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
(e)	Any Other	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
	Sub-Total (A)(2)	0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1	1151678783	0	0	1151678783	58.32	1151678783	0	1151678783	58.32	0	58.32	0	0.00	0	0.00	1151678783	

Table III - Statement showing shareholding pattern of the Public shareholder

Category	Category & Name of the Shareholder	PAN	No of Share holders	No of fully paid up equity shares held	No of paid-up equity shares held	No of Partly Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares	Number of Shares pledged or otherwise encumbered	Number of equity shares held in dematerialized form					
									No of Voting Rights												
									Class X	Class Y	Total										
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)								
(1)	Institutions																				
(a)	Mutual Funds		39	01735363	0	0	01735363	5.15	01735363	0	01735363	5.15	0	5.15	0	0.00	NA	NA	101735363		
	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	AAATH1809A	9	43389538	0	0	43389538	2.20	43389538	0	43389538	2.20	0	2.20	0	0.00	NA	NA	43389538		
	RELIANCE ETF-JUNIOR BEES INVESTMENT A/C	AAATR0090B	6	25181507	0	0	25181507	1.28	25181507	0	25181507	1.28	0	1.28	0	0.00	NA	NA	25181507		
(b)	Venture Capital Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0		
(c)	Alternate Investment Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0		
(d)	Foreign Venture Capital Investors		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0		
(e)	Foreign Portfolio Investors		556	465209711	0	0	465209711	23.56	465209711	0	465209711	23.56	0	23.56	0	0.00	NA	NA	465209711		

	EAST BRIDGE CAPITAL MASTER FUND LIMITED	AACCE9888M	1	22228558	0	0	22228558	1.13	22228558	0	22228558	1.13	0	1.13	0	0.00	NA	NA	22228558
	THE PRUDENTIAL ASSURANCE COMPANY LIMITED	AACCP0514H	1	34106733	0	0	34106733	1.73	34106733	0	34106733	1.73	0	1.73	0	0.00	NA	NA	34106733
(f)	Financial Institutions/Banks		16	8096184	0	0	8096184	0.41	8096184	0	8096184	0.41	0	0.41	0	0.00	NA	NA	8096184
(g)	Insurance Companies		30	66718180	0	0	66718180	3.38	66718180	0	66718180	3.38	0	3.38	0	0.00	NA	NA	66718180
	LIC OF INDIA HEALTH PROTECTION PLUS FUND	AAACL0582H	25	55216880	0	0	55216880	2.80	55216880	0	55216880	2.80	0	2.80	0	0.00	NA	NA	55216880
(h)	Provident Funds/Pension Funds		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(i)	Any Other																		
	FOREIGN NATIONALS		1	129000	0	0	129000	0.01	129000	0	129000	0.01	0	0.01	0	0.00	NA	NA	129000
	Sub Total (B)(1)		642	641888438	0	0	641888438	32.50	641888438	0	641888438	32.50	0	32.50	0	0.00	NA	NA	641888438
(2)	Central Government/State Government(s)/President of India		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Sub Total (B)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(3)	Non-Institutions																		
(a)	i.Individual shareholders holding nominal share capital up to Rs.2 lakhs		320927	03203963	0	0	103203963	5.23	03203963	0	03203963	5.23	0	5.23		0.00	NA	NA	103148964

	ii.Individual shareholders holding nominal share capital in excess of Rs. 2 Lakhs		403	26333600	0	0	26333600	1.33	26333600	0	26333600	1.33	0	1.33		0.00	NA	NA	26333600
(b)	NBFCs Registered with RBI		21	274571	0	0	274571	0.01	274571	0	274571	0.01	0	0.01	0	0.00	NA	NA	274571
(c)	Employee Trusts		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(d)	Overseas Depositories (Holding DRs)(Balancing figure)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(e)	Any Other																		
	ALTERNATIVE INVESTMENT FUND		1	40000	0	0	40000	0.00	40000	0	40000	0.00	0	0.00	0	0.00	NA	NA	40000
	CLEARING MEMBERS		278	2504139	0	0	2504139	0.13	2504139	0	2504139	0.13	0	0.13	0	0.00	NA	NA	2504139
	IEPF		1	54751	0	0	54751	0.00	54751	0	54751	0.00	0	0.00	0	0.00	NA	NA	54751
	BODIES CORPORATES		1861	39755107	0	0	39755107	2.01	39755107	0	39755107	2.01	0	2.01	0	0.00	NA	NA	39755107
	NON RESIDENT INDIANS		2731	2984864	0	0	2984864	0.15	2984864	0	2984864	0.15	0	0.15	0	0.00	NA	NA	2984864
	NON RESIDENT INDIAN NON REPATRIABLE		1255	1650031	0	0	1650031	0.08	1650031	0	1650031	0.08	0	0.08	0	0.00	NA	NA	1650031
	TRUSTS		43	4549753	0	0	4549753	0.23	4549753	0	4549753	0.23	0	0.23	0	0.00	NA	NA	4549753
	Sub Total (B)(3)		327521	81350779	0	0	181350779	9.18	81350779	0	81350779	9.18	0	9.18	0	0.00			181295780
	Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		328163	823239217	0	0	823239217	41.68	823239217	0	823239217	41.68	0	41.68	0	0.00			823184218

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder

Category	Category & Name of the Shareholder	PAN	No of Share-holders	No of fully paid up equity shares held	No of Partly paid-up equity shares held	No of Shares Underlying Depository Receipts	Total No of Shares Held (IV+V+VI)	Shareholding as a % of total no of shares (A+B+C2)	Number of Voting Rights held in each class of securities			No of Shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding as a % assuming full conversion of convertible Securities (as a percentage of diluted share capital)	Number of Locked in Shares		Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialized form	
									No of Voting Rights		Total as a % of (A+B+C)			No.	As a % of total Shares held	No.	As a % of total Shares held		
									Class X	Class Y	Total								
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)						
(1)	Custodian/DR Holder		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
(2)	Employee Benefit Trust (under SEBI(Share based Employee Benefit) Regulations 2014)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	NA	NA	0
	Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		0	0	0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00			0

President of India has offloaded 0.55% equity shares through ETF in November 2017.

10.1.5. Except as set forth below, none of our Directors hold any Equity Shares as on December 31, 2017

1.	Dr. P.V. Ramesh	-	NIL
2.	Mr. Ajeet Kumar Agarwal	-	484 Equity Shares
3.	Mr. Sanjeev Kumar Gupta	-	NIL
4.	Dr. Arun Kumar Verma	-	NIL
5.	Mr. Arun Singh	-	NIL
6.	Mr. Aravamudan Krishna Kumar	-	NIL
7.	Mr. T.T. Ram Mohan	-	NIL
8.	Smt. Asha Swarup	-	NIL

10.1.6. Our top ten shareholders and the number of Equity Shares held by them, as on December 31, 2017 are as follows:

Sl. No.	Name	Shares	% to Equity	Category
1	PRESIDENT OF INDIA	1151678783	POI	58.3153
2	LIFE INSURANCE CORPORATION OF INDIA	45359430	INS	2.2968
3	THE PRUDENTIAL ASSURANCE COMPANY LIMITED	34106733	FPI	1.727
4	EAST BRIDGE CAPITAL MASTER FUND LIMITED	22228558	FPI	1.1255
5	CPSE ETF	18474093	MUT	0.9354
6	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	17120000	MUT	0.8669
7	EASTSPRING INVESTMENTS - DEVELOPED AND EMERGING ASIA EQUITY FUND	16561685	FPI	0.8386
8	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	13783000	MUT	0.6979
9	COPTHALL MAURITIUS INVESTMENT LIMITED	12161774	FPI	0.6158
10	VANGUARD EMERGING MARKETS STOCK INDEX FUND, A SERIES OF VANGUARD INTERNATIONAL EQUITY INDE X FUND	11841965	FPI	0.5996

10.1.7. List of Top ten Bondholders of the Company as on December 31, 2017:

S. No.	Name	Total face value amount of bonds held in ₹
1.	CBT EPF	1,67,90,20,00,000.00
2.	LIFE INSURANCE CORPORATION OF INDIA	1,57,77,80,00,000.00
3.	STATE BANK OF INDIA	81,10,00,00,000.00
4.	NPS TRUST- A/C	54,78,00,00,000.00
5.	RELIANCE CAPITAL TRUSTEE CO LTD.	45,21,70,00,000.00
6.	PUNJAB NATIONAL BANK	27,48,52,47,000.00
7.	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED	27,32,80,00,000.00
8.	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED	24,98,20,00,000.00
9.	HDFC TRUSTEE COMPANY LTD.	24,52,00,00,000.00
10.	SBI DEBT FUND SERIES	21,96,00,00,000.00

10.1.8. No Equity Shares of the Company as on **December 31, 2017** are pledged or otherwise encumbered by the Promoters.

10.1.9. Our Company has issued Bonus shares in the ratio 1:1 to the shareholders of the Company on September 30, 2016. Apart from this, the Company has not issued any Equity Shares or debt securities for consideration other than cash, whether in whole or part, since its incorporation.

10.1.10. Our Company has not undertaken any acquisition or amalgamation in the last one year prior to filing of this Private Placement Offer Letter.

10.1.11. Our Company has not undergone any reorganization or reconstruction in the last one year prior to issue of this Private Placement Offer Letter.

10.1.12. Other than debt securities issued by the Company, outstanding as on December 31, 2017 as detailed below, our Company has not issued any debt securities:

- for consideration other than cash;
- at a premium or a discount; and/or
- in pursuance of an option.

(i) Zero Coupon Bonds:

Sr. No.	Instrument Type	Date of Issuance	Number of Bonds/instruments	Face Value per Bond (₹)	Discount Per Bond (₹)
1.	Zero Coupon Bonds	December 15, 2010	3,92,700	30,000	16,422
2.	Zero Coupon Bonds	February 03, 2011	89,510	30,000	17,033

(ii) Foreign Currency Bonds:

Sr. No.	Instrument Type	Date of Issuance	Issue Size	Issue Value (%)	Discount (%)
1.	International Bonds	07-Jul-2017	USD 450 million	99.263	0.737

(iii) Commercial Papers

S.No.	Date of Issue/ Value Date	Number of Commercial Papers (CP/s) issued	Face Value per CP (₹)	Discount Per CP (₹)
1.	Nil	Nil	Nil	Nil

(iv) Bonds issued at premium

Sr. No.	Date Of Issuance/Value Date	Number of Bonds/ instrument	Face Value per Bond (₹)	Premium per Bond (₹)
1.	November 29, 2012	500	1000000	1000
2.	August 29, 2013	13500	1000000	726
3.	October 11, 2013	1500	1000000	1727
4.	July 23, 2015	3000	1000000	954

10.1.13. Amount of corporate guarantees issued by the Issuer in favour of various counter parties including its Subsidiaries, Joint Venture entities, Group Companies etc. – Nil

10.2. FINANCIAL INDEBTEDNESS (ON STANDALONE BASIS)

10.2.1. Set forth below is a brief summary of our Company's significant outstanding secured borrowings of ₹56,826.60 crores and unsecured borrowings of ₹1,23,767.88 crores, as on December 31, 2017 together with a brief description of certain significant terms of such financing arrangements.

(1) Secured term loans from banks and financial institutions availed by our Company

(All figures are in (₹) crores, except in percentages)

Sr. No.	Name of the Lender	Loan documentation	Facility/Amount Sanctioned (₹crores)	Amount outstanding (₹crores) as on December 31, 2017	Rate of interest (%)	Repayment Date/Schedule	Security
1	LIC	Term loan Agreement dated August 6, 2004	2000.00	400.00	7.35 being 48 annualized G-Sec for 10 years + 100 bps, for a period of seven days reckoned two working days prior to the date of disbursement.	Repayable in 10 equal annual installments after a moratorium of 5 years starting from October 1, 2010	The term loans are secured by a charge on the receivables of our Company, both present and future, save and except certain specific receivables hypothecated to VISTRA ITCL (INDIA) LIMITED (formerly known as IL&FS Trust Company Limited) on the basis of joint hypothecation agreement dated September 24, 2010 in favour of IDBI Trusteeship Services Limited.
Total of Term Loans from banks and financial institutions				400.00			

(2) Unsecured loans availed by our Company

Set forth below is a brief summary of our outstanding unsecured borrowings.

(All figures are in (₹) crores, except in percentages)

Sr. No.	Name of the Lender	Loan documentation	Facility/Amount Sanctioned (₹crores)	Amount outstanding, as on December 31, 2017	Rate of interest (% p.a.)	Repayment Date/ Schedule
A.	Unsecured Term Loans; Nil					
B.	Unsecured Long term loans availed by our Company from the MoF Nil					
C.	Foreign Currency Borrowings					
1	Japan Bank for International Cooperation	Loan Agreement No. ID-P169 dated March 31, 2006 ⁽¹⁾	JPY 16,949 million (Revised wef	₹181.320 crores i.e. JPY 3196.71 million	0.75%	15 years tenor with a moratorium of 5 years. Repayable in semi-annual equal instalments beginning March 20, 2011 of JPY 982.34 million, and

Sr. No.	Name of the Lender	Loan documentation	Facility/Amount Sanctioned (₹crores)	Amount outstanding, as on December 31, 2017	Rate of interest (% p.a.)	Repayment Date/ Schedule
			August 29, 2012)			instalment on Sep 20, 2018 of JPY 638.94 million & Instalment of JPY 148.27 million each from March 20, 2019 till March 20, 2021
2	Japan Bank for International Cooperation	Loan Agreement No ID-P190 dated March 10, 2008 ⁽¹⁾	JPY 11,809 million (Revised wef March 31, 2016)	₹117.66 crores i.e. JPY 2074.37 million	0.65%	15 years tenor with a moratorium of 5 years. Repayable in semi-annual equal instalments beginning March 20, 2013 of JPY 995.34 million, and instalment on Sep 20, 2017 of JPY 777.11 million & Instalment of JPY 188.58 million each from March 20, 2018 till March 20, 2023
3	KfW, Frankfurt am Main [^]	Loan Agreement dated August 8, 2006 ⁽¹⁾	Euro 70 million	₹56.29 crores i.e. Euro 7.37 million	3.73%	12 years tenor with a moratorium of 3 years. Repayable in 19 semi-annual instalments beginning December 30, 2009
4	KfW, Frankfurt am Main [^]	Loan agreement dated March 16, 2009 ⁽¹⁾	Euro 70 million	₹178.24 crores i.e. Euro 23.33 million	2.89%	12 years tenor with a moratorium of 3 years. Repayable in 18 semi-annual instalments beginning June 30, 2012
5	KfW, Frankfurt am Main [^]	Loan agreement dated March 30, 2012 ⁽¹⁾	Euro 100 million	₹522.65 crores i.e. Euro 68.42 million	1.86%	12 years tenor with a moratorium of 3 years. Repayable in 19 semi-annual instalments beginning June 30, 2015
6	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated November 22, 2013	USD 285 million	₹1821.93 crores i.e. USD 285 million	6 months USD LIBOR plus 1.50%	5 years Tenor. Repayable USD 285 Million on December 02, 2018
7	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated May 21, 2014	USD 250 million	₹1230.60 crores i.e. USD 192.50 million	6 months USD LIBOR plus 1.70%	5 years Tenor. Repayable USD 250 Million on May 29, 2019
8	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated March 02, 2015	USD 400 million	₹2557.09 crores i.e. USD 400 million	6 months USD LIBOR plus 1.17%	5 years Tenor. Repayable USD 400 Million on March 12, 2020
9	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated July 17, 2015	USD 300 million	₹1917.82 crores i.e. USD 300 million	6 months USD LIBOR plus 1.00%	5 years Tenor. Repayable USD 300 Million on July 29, 2020
10	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated September 04, 2015	USD250 million	₹1598.18 crores i.e. USD 250 million	1 month USD LIBOR plus 0.70%	3 years Tenor. Repayable USD 150 Million on September 18, 2018 and USD 100 Million on November 19, 2018.
11	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated November 16, 2015	USD 300 million	₹1917.82 crores i.e. USD 300 million	1 month USD LIBOR plus 1.05%	5 years Tenor. Repayable USD 300 Million on December 01, 2020
12	Syndicated Unsecured	Syndicated Facility	USD 250 million	₹1598.18 crores i.e.	1 month USD LIBOR plus	3 years Tenor. Repayable USD 250 Million on February 05,

Sr. No.	Name of the Lender	Loan documentation	Facility/Amount Sanctioned (₹crores)	Amount outstanding, as on December 31, 2017	Rate of interest (% p.a.)	Repayment Date/ Schedule
	Borrowings	Agreement dated January 27, 2016		USD 250 million	0.65%	2019
13	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated March 11, 2016	USD 120 million	₹767.13 crores i.e. USD 120 million	6 months USD LIBOR plus 0.95%	3 years Tenor. Repayable USD 120 Million on March 21, 2019
14	Bilateral Unsecured Borrowings	Bilateral Facility Agreement dated Sept 26, 2016	USD 100 million	₹639.27 crores i.e. USD 100 million	3 months USD LIBOR plus 0.80%	5 years Tenor. Repayable USD 100 Million on Oct 05, 2021
15	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated January 09, 2017	USD 230 million	₹1470.33 crores i.e. USD 230 million	1 month USD LIBOR plus 0.80%	5 Years and 1 day Tenor, Repayable on January 19, 2022
16	Syndicated Unsecured Borrowings	Syndicated Facility Agreement dated July 30, 2017	USD 200 million	₹1278.55 crores i.e. USD 200 million	3 month USD LIBOR plus 0.65%	5 Years and 1 day Tenor, Repayable on July 28, 2022
17	USD Green Reg-S Bonds	10 Year USD Green Bonds under Reg-S	USD 450 million	₹2876.73 crores i.e. USD 450 million	3.875% (Fixed)	10 Years. Repayable on July 07, 2027
18	Bilateral Unsecured Borrowings	Bilateral Facility Agreement dated Nov 23, 2017	USD 57.50 million	₹367.58 crores i.e. USD 57.50 million	6 months USD LIBOR plus 0.35%	1.5 years Tenor. Repayable USD 57.50 Million on May 29, 2019
19	USD Reg-S Bonds	3 Year USD Green Bonds under Reg-S	USD 400 million	₹2557.09 crores i.e. USD 400 million	3.068% (Fixed)	3 Years. Repayable on Dec 18, 2020
Total Unsecured Loans from MoF, Foreign Banks and other Institutions				23,654.46		
Total Unsecured Loans – (2) (A + B+ C)				23,654.46		

** These loans were sanctioned for relending to the state governments to be used for relending to state governments/state electricity board for rural electrification programme in the state plans under the 'Minimum Needs Programme'. There is a rebate of 0.25% for prompt repayment or interest payments on these loans.

(1) The loan shall be utilized only for such purposes for which the facility has been granted and is secured by a guarantee provided by the Republic of India, represented by its President for the entire amount

^ Our Company has also entered into three financing agreements with KfW, dated August 8, 2006, March 16, 2009 and March 30, 2012 for a grant of Euro 500,000 each, to be utilized for strengthening the power distribution companies by capacity building measures initiated by our Company. The amount received by our Company under this agreement is not repayable except in the event that (a) certain obligations cast upon our Company are violated, or (b) the said amount is not used for the stipulated purpose(s).

(3) Secured & Unsecured Bonds issued by our Company

(All figures are in ₹crores, except in percentages)

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
A.	Secured taxable bonds Set forth below is a brief summary of our secured outstanding taxable bonds.									
1	Secured non-convertible redeemable 'taxable bonds –	February 28, 2008	685.20	685.20	9.07 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of	CRISIL: AAA/Stable; CARE: CARE AAA;	Secured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	2018' ('83 rd Series') in the nature of debentures						allotment.	FITCH: AAA(ind) ICRA: LAAA		
2	Secured non-convertible redeemable 'taxable bonds – 2018' ('85 th Series') in the nature of debentures.	June 13, 2008	500.00	500.00	9.68 payable annually	5 years	Redeemable at par on the expiry of 10 years from the date of allotment. June 13, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
3	Secured non-convertible redeemable 'taxable bonds – 2018' ('86 th A Series') in the nature of debentures	July 29, 2008	500.00	500.00	10.70 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. July 29, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
4	Secured non-convertible redeemable 'taxable bonds – 2018' ('86 th B – III Series') in the nature of debentures.	August 14, 2008	432.00	432.00	10.85 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. August 14, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
5	Secured non-convertible redeemable 'taxable bonds – 2018' ('87 th – II Series') in the nature of debentures.	September 30, 2008.	657.40	657.40	10.85 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment September 30, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) A	Secured	
6	Secured non-convertible redeemable 'taxable bonds – 2018' ('87 th A – III Series') in the nature of	October 24, 2008	61.80	61.80	11.15 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. October 24, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	debentures.									
7	Secured non-convertible redeemable 'taxable bonds – 2019' ('88 th Series') in the nature of debentures	January 15, 2009	1495.00	1495.00	8.65 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. January 15, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
8	Secured non-convertible redeemable 'taxable bonds – 2019' ('90 th Series') in the nature of debentures	August 3, 2009	2000.00	2000.00	8.80 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. August 03, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
9	Secured non-convertible redeemable 'taxable bonds – 2019' ('90 th B Series-II') in the nature of debentures	September 4, 2009	868.20	868.20	8.72 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. September 04, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
10	Secured non-convertible redeemable 'taxable bonds – 2019' ('90 th C Series-II') in the nature of debentures.	October 6, 2009	1040.00	1040.00	8.80, payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. October 6, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
11	Secured non-convertible redeemable 'taxable bonds – 2019' ('91 st Series- II') in the nature of	November 17, 2009	995.90	995.90	8.80 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. November 17, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	

S. No.	Nature of the Bonds	Date of Allot-ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu- rity
	debentures									
12	Secured non-convertible redeem-able 'taxable bonds – 2020' ('92nd Series- II') in the nature of debentures	January 22, 2010	945.30	945.30	8.65 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. January 22, 2020	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
13	Secured non-convertible redeem-able 'taxable bonds – 2018' ('116 Series- II') in the nature of debentures	October 17, 2013	850.00	850.00	9.24 payable annually	5 years	Redeemable at par on the expiry of 5 years from the date of allotment. October 17, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
14	Secured non-convertible redeem-able 'taxable bonds – 2018' ('117 Series') in the nature of debentures	November 06, 2013	2878.00	2878.00	9.38 payable annually	5 years	Redeemable at par on the expiry of 5 years from the date of allotment. November 06, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
15	able bonds – 2019' ('118 Series') in the nature of debentures	January 03, 2014	1655.00	1655.00	9.61 payable annually	5 years	Redeemable at par on the expiry of 5 years from the date of allotment. January 03, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
16	Secured non-convertible redeem-able 'taxable bonds – 2019' ('119 Series') in the nature of debentures	February 05, 2014	2090.00	2090.00	9.63 payable annually	5 years	Redeemable at par on the expiry of 5 years from the date of allotment. February 05, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
17	Secured non-convertible redeem-able 'taxable	June 18, 2014	1700.00	1700.00	9.02 payable annually	5 years	Redeemable at par on the expiry of 5 years from the	CRISIL: AAA/Stable; CARE: CARE	Secured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	bonds – 2019’ (‘122 Series’) in the nature of debentures						date of allotment. June 18, 2019	AAA; FITCH: AAA(ind) ICRA: LAAA		
18	Secured non-convertible redeemable ‘taxable non-priority sector bonds – (‘123 Series Tranche 1’) in the nature of debentures	July 17, 2014	1515	1515.00	9.40 payable annually	7 years	Redeemable at par on the expiry of 7 years from the date of allotment. July 17, 2021	CRISIL: AAA/STABLE; CARE:C ARE AAA; ICRA: [ICRA] AAA; IRPL: IND AAA	Secured	
19	Secured non-convertible redeemable ‘taxable non-priority sector bonds – (‘123 Series Tranche 3’) Option II in the nature of debentures	August 25, 2014	1955	1955.00	9.34 payable annually	10 years	Redeemable at par on the expiry of 10 years from the date of allotment. August 25, 2024	CRISIL: AAA/STABLE; CARE:C ARE AAA; ICRA: [ICRA] AAA; IRPL: IND AAA	Secured	
Total Secured Bonds through Private Placement of Institutional Bond Series			22823.80							
<p>B. Capital gains tax exemption bonds under Section 54EC of the Income Tax Act</p> <p>Set forth below is a brief summary of our outstanding capital gains tax exemption bonds issued under Section 54EC of the IT Act, together with a brief description of certain significant terms of such financing arrangements. These bonds are not proposed to be listed on any stock exchange.</p>										
1.	Secured non-convertible redeemable taxable - 54 EC long term capital gains tax exemption bonds Series IX’ issued in Fiscal 2015	On Tap Basis	5,337.782	1,787.815	6.00 payable annually	3 years	Redemption at par on the expiry of 3 years from the Deemed Date of Allotment. **	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind)	Secured	
2.	Secured non-	On Tap	6,476.697	6,476.697	6.00 payable	3 years	Redemption at par on	CRISIL: AAA/Stab	Secured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	convertible redeemable taxable - 54 EC long term capital gains tax exemption on bonds Series X' issued in Fiscal 2016	Basis			annually		the expiry of 3 years from the Deemed Date of Allotment.**	le; CARE: CARE AAA; FITCH: AAA(ind)		
3.	Secured non-convertible redeemable taxable - 54 EC long term capital gains tax exemption on bonds Series X' issued in Fiscal 2017	On Tap Basis	7,662.921	7,662.921	6.00 payable annually (Up to 30.11.2017) and 5.25 from 01.12.2017 to 31.03.2017	3 years	Redemption at par on the expiry of 3 years from the Deemed Date of Allotment.**	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind)	Secured	
4.	Secured non-convertible redeemable taxable - 54 EC long term capital gains tax exemption on bonds Series XI' issued in Fiscal 2018	On Tap Basis	5026.953	5026.953	5.25 payable annually	3 years	Redemption at par on the expiry of 3 years from the Deemed Date of Allotment.**	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind)	Secured non-convertible redeemable taxable -54 EC long term capital gains tax exemption on bonds Series XI' issued in	On Tap Basis

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
									Fiscal 2018	
Secured Capital Gains Tax Exemption Bonds U/S 54EC			20,954.39							
C.	Secured Tax Free Bonds under Section 10(15)(iv)(h) of the IT Act Set forth below is a brief summary of our outstanding Tax Free Bonds issued under Section 10(15)(iv)(h) of the IT Act, together with a brief description of certain significant terms of such financing arrangements. These bonds are listed on BSE and/or NSE.									
1.	Tax Free Secured Redeemable Non-Convertible Bonds, in the nature of debentures.	March 27, 2012	3,000.00	3,000.00	Category I & II – Series I 7.93%	10 years	Redemption at par on the expiry of 10 years from the date of allotment.	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
					Category I & II – Series II 8.12 %	15 years	Redemption at par on the expiry of 15 years from the date of allotment.			
					Category III – Series I 8.13 %	10 years	Redemption at par on the expiry of 10 years from the date of allotment.			
					Category III – Series II 8.32 %	15 years	Redemption at par on the expiry of 15 years from the date of allotment.			
2.	Series 2-A Tax free secured redeemable non-convertible bonds	November 21, 2012	255.00	255.00	7.21% p.a.	10 years	November 21, 2022	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
3.	Series 2-B Tax free secured redeemable non-convertible bond	November 21, 2012	245.00	245.00	7.38% p.a.	15 years	November 21, 2027	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
4.	Series 2012-13 Tranche	December 19,	2017.35	2017.35	7.38% p.a.	15 years	December 19, 2027	CRISIL: AAA/ Stable;	Secured	

S. No.	Nature of the Bonds	Date of Allot-ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu- rity
	– 1 Tax free secured redeemable non-convertible bonds	2012						CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
5.	Series 2012-13 Tranche – 1 Ts				7.22% p.a.	10 years	December 19, 2022	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
6.	Series 2012-13 Tranche – 2 Tax free secured redeemable non-convertible bonds	March 25, 2013	131.06	131.06	6.88% p.a.	10 years	March 25, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
7.	Series 2012-13 Tranche – 2 Tax free secured redeemable non-convertible bonds	March 25, 2013			7.04% p.a.	15 years	March 25, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
8.	Series 3A Tax free secured redeemable non-convertible bonds	August 29, 2013	209.00	209.00	8.01% p.a.	10 years	August 29, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
9.	Series 3B Tax free secured redeemable non-convertible bonds		1141.00	1141.00	8.46% p.a.	15 years	August 29, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
10.	Series 1A - 2013-14 Tranche – 1 Tax free secured redeemable non-convertible bonds	September 24, 2013	3440.60	3440.60	8.01%	10 years	September 24, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
11.	Series 2A - 2013-14 Tranche – 1 Tax free secured redeemable non-convertible bonds				8.46%	15 years	September 24, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
12.	Series 3A - 2013-14 Tranche – 1 Tax free secured redeemable non-convertible bonds				8.37%	20 years	September 24, 2033	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
13.	Series 1B - 2013-14 Tranche – 1 Tax free secured redeemable non-convertible bonds				8.26%	10 years	September 24, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
14.	Series 2B - 2013-14 Tranche – 1 Tax free secured redeemable non-convertible bonds				8.71%	15 years	September 24, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
15.	Series 3B -2013-14				8.62%	20 years	September 24, 2033	CRISIL: AAA/	Secured	

S. No.	Nature of the Bonds	Date of Allot-ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu- rity
	Tranche – 1 Tax free secured redeemable non-convertible bonds							Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
16.	Series 4A Tax free secured redeemable non-convertible bonds	October 11, 2013	105.00	105.00	8.18% p.a.	10 years	October 11, 2023	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
17.	Series 4B Tax free secured redeemable non-convertible bonds	October 11, 2013	45.00	45.00	8.54% p.a.	15 years	October 11, 2028	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
18.	Series 1A – 2013-14 Tranche 2 Tax free secured redeemable non-convertible bonds	March 24, 2014	1059.40	1059.40	8.19%	10 years	March 24, 2024	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
19.	Series 2A – 2013-14 Tranche 2 Tax free secured redeemable non-convertible bonds				8.63%	15 Years	March 24, 2029	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
20.	Series 3A – 2013-14 Tranche 2 Tax free secured redeemable non-convertible bonds				8.61%	20 Years	March 24, 2034	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind)	Secured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	ble non-convertible bonds							ICRA: LAAA		
21.	Series 1B – 2013-14 Tranche 2 Tax free secured redeemable non-convertible bonds				8.44%	10 Years	March 24, 2024	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
22.	Series 2B – 2013-14 Tranche 2 Tax free secured redeemable non-convertible bonds				8.88%	15 Years	March 24, 2029	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
23	Series 3B – 2013-14 Tranche 2 Tax free secured redeemable non-convertible bonds				8.86%	20 Years	March 24, 2034	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
24	Series 5A Tax free secured redeemable non-convertible bonds	July 23, 2015	300.00	300.00	7.17%	10 years	July 23, 2035	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Secured	
25	Series 1A – 2015-16 Tranche 1 Tax free secured redeemable non-convertible bonds	November 05, 2015	700	700	6.89%	10 years	November 05, 2025	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		

S. No.	Nature of the Bonds	Date of Allot-ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu- rity
26	Series 2A – 2015-16 Tranche 1 Tax free secured redeemable non-convertible bonds				7.09%	15 Years	November 05, 2030	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
27	Series 3A – 2015-16 Tranche 1 Tax free secured redeemable non-convertible bonds				7.18%	20 Years	November 05, 2035	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
28	Series 1B – 2015-16 Tranche 1 Tax free secured redeemable non-convertible bonds				7.14%	10 Years	November 05, 2025	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
29	Series 2B – 2015-16 Tranche 1 Tax free secured redeemable non-convertible bonds				7.34%	15 Years	November 05, 2030	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
30	Series 3B – 2015-16 Tranche 1 Tax free secured redeemable non-convertible bonds				7.43%	20 Years	November 05, 2035	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
Secured Tax Free Bonds			12648.41							
Security Details of the Secured Borrowings –										
<ul style="list-style-type: none"> The Bond Series 83, 85, 86A, 86 B-III, 87-II, 87 A-III, 88, 90, 90 B-II, 90 C-II, 91-II, 92-II of Institutional Bonds are 										

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	<p>secured by a charge on (a) mortgage of Flat no. 640, Asian Games Village, New Delhi 110 049, India and (b) pari-passu charge on the receivables of our Company, both present and future, save and except receivables hypothecated to IL&FS Trust Company Limited on the basis of joint hypothecation agreement dated September 24, 2010 in favour of IDBI Trusteeship Services Ltd.</p> <ul style="list-style-type: none"> The bond series 116-II, 117,118,119 & 122 is secured by first pari-passu charge on the book debts of the issuer both present & future which are charged to other lender/trustee and as may be agreed between the issuer & the trustee - IDBI Trusteeship Services Ltd., pursuant to the terms of debenture/bond trust cum hypothecation deed with a minimum security cover of one time of the aggregate face value of the bonds outstanding at all times. The Bond Series 123-1 & 123-3 of Institutional Bonds are secured by mortgage way of first pari-passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt. Vadodara and (b.) the book debts of the Issuer which are charged to other lender / trustee and as may be agreed between the Issuer and the Trustee, pursuant to the terms of the Bond Trust Deed with a minimum security cover of one time of the aggregate face value of amount of bonds outstanding at all times and amount of interest due thereon in favor of IDBI Trusteeship Services Ltd. The Bond Series IX of 54EC Capital Gain Tax Exemption Bonds is secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/earmarked to any other lenders / Trustees) in favour of IDBI Trusteeship Services Ltd. The Bond Series X and XI of 54EC Capital Gain Tax Exemption Bonds and Tax Free Bonds issued during FY 2015-16, 2016-17 and 2017-18 are secured by first pari passu charge on (a) mortgage of premises at Sub Plot No. 8, TPS No 2, FP No. 584P, situated at Village Subhanpura, Distt Vadodara and (b) hypothecation of receivables (other than those that are exclusively charged/earmarked to any other lenders / Trustees) in favour of SBICAP Trustee Company Ltd. Tax Free Bonds (issued during FY 2011-12) are secured by first pari-passu charge on premises at Shop no. 12, Ground floor, Block no. 35, Church road, Mylapore, Chennai and hypothecation of receivables of ₹4,998.66crores of MSEDCI in favour of IL&FS Trust Co. Ltd. Tax Free Bonds (issued during FY 2012-13 and during FY 2015-16) and Series X of 54EC Capital Gain Tax Exemption Bonds are secured by first pari-passu charge on (a) mortgage of premises at sub-plot no. 8, TPS No.2, FP No. 584P, situated at village Subhanpura, Distt. Vadodara and (b) hypothecation of receivables in favour of SBI Cap Trustee Co. Ltd. Tax Free Bonds (issued during FY 2013-14) are secured by first pari-passu charge on hypothecation of receivables in favour of SBI Cap Trustee Co. Ltd. All the term loans are secured by a charge on the receivables of the company, both present & future, save & except certain specific receivables hypothecated to IL&FS Trust Co. Ltd. on the basis of joint hypothecation agreement last updated on Sept. 24, 2010. 									
D.	<p>Unsecured bonds issued by our Company</p> <p>Set forth below is a brief summary of certain of our other outstanding unsecured bonds. These bonds are listed on the whole sale debt market segment in the NSE/BSE.</p>									
1	‘94th Taxable non-priority sector bond’	June 08, 2010	1250.00	1250.00	8.75 payable yearly.	15 years	June 08, 2025	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
2	‘95th-I Taxable non-priority sector bond’	July 12, 2010	200.00	200.00	8.70 payable yearly.	9 years	July 12, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(Ind) ICRA: LAAA	Unsecured	-
3	‘95th -II Taxable	July 12,	1800.00	1800.00	8.75 payable	15 years	July 12, 2025	CRISIL: AAA/Stab	Unsecu	-

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	non-priority sector bond'	2010			yearly.			le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA		
4	'96th Taxable non-priority sector bond'	October 25, 2010	1150.00	1150.00	8.80 payable yearly.	10 years	October 25, 2020	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
5	'97th Taxable non-priority sector bond'	November 29, 2010	2120.50	2120.50	8.80 payable yearly.	10 years	November 29, 2020	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
6	'ZCB-I Taxable non-priority sector bond'	December 15, 2010	533.21 at issue price	878.52	8.25 (yield)	10 years	December 15, 2020	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
7	'ZCB-II Taxable non-priority sector bond'	February 03, 2011	116.07 at issue price	194.57	8.75 (yield)	10 years	February 03, 2021	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
8	'98th Taxable non-priority sector bond'	March 15, 2011	3000.00	3000.00	9.18 payable yearly.	10 years	March 15, 2021	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
9	'100th	July	1500.00	1500.00	9.63	10 years	July 15,	CRISIL:	Unsecured	-

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	Taxable non-priority sector bond'	15, 2011			payable yearly.		2021	AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRORES A: LAAA	ed	
10	'101st- III Taxable non-priority sector bond'	August 10, 2011	3171.80	3171.80	9.48 payable yearly.	10 years	August 10, 2021	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
11	'105th Taxable non-priority sector bond'	November 11, 2011	3922.20	3922.20	9.75 payable yearly.	10 years	November 11, 2021	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
12	'107th Taxable non-priority sector bond'	June 15, 2012	2378.20	2378.20	9.35% p.a. payable yearly.	10 years	10 Years June 15, 2022	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind)	Unsecured	-
13	'108th – II Taxable non-priority sector bond'	July 20, 2012	960.00	960.00	9.39% p.a. payable yearly	7 years	7 Years July 20, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
14	'111th- I Taxable non-priority sector bond'	November 19, 2012	452.80	452.80	9.02% p.a.	7 years	November 19, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
15	'111th – II	November	2211.20	2211.20	9.02% p.a.	10 years	November 19, 2022	CRISIL: AAA/Stable	Unsecured	-

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	Taxable non-priority sector bond'	19, 2012						le; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	ed	
16	'112th Taxable non-priority sector bond'	Feb 01, 2013	1500.00	1500.00	8.70% p.a.	5 years	Feb 01, 2018	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
17	'113th Taxable non-priority sector bond'	March 08, 2013	1542.00	1542.00	8.87% p.a.	7 years	March 08, 2020	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
18	'114th Taxable non-priority sector bond'	April 12, 2013	4300.00	4300.00	8.82% p.a.	10 years	April 12, 2023	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
19	'115th Taxable non-priority sector bond'	May 31, 2013	2500.00	2500.00	8.06% p.a.	10 years	May 31, 2020	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured (Sub-Debt)	-
20	'125th Taxable non-priority sector bond'	October 13, 2019	3000.00	3000.00	9.04%	5 years	October 12, 2019	CRISIL: AAA/Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	
21	'126th	Novem	1700.00	1700.00	8.56%	5 years	November	CARE:		

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	Taxable non-priority sector bond'	ember 13, 2014					13, 2019	CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
22	'127th Taxable non-priority sector bond'	Dece mber 04, 2014	1550.00	1550.00	8.44%	7 years	December 04, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
23	'128th Taxable non-priority sector bond'	Dece mber 22, 2014	2250.00	2250.00	8.57%	10 years	December 21, 2024	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
24	'129th Taxable non-priority sector bond'	Januar y 23, 2015	1925.00	1925.00	8.23%	10 years	January 23, 2025	CRISIL: CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
25	'130th Taxable non-priority sector bond'	Febru ary 6, 2015	2325.00	2325.00	8.27%	10 years	February 6, 2025	CRISIL: CARE: CARE AAA; CRISIL: AAA/ Stable;	Unsecured	

S. No.	Nature of the Bonds	Date of Allot-ment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Secu- rity
								ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable		
26	'131st Taxable non-priority sector bond'	February 23, 2015	2285.00	2285.00	8.35%	10 years	February 22, 2025	CRISIL:C ARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
27	'132nd Taxable non-priority sector bond'	March 9, 2015	700.00	700.00	8.27%	7 years	March 9, 2022	CARE: CARE AAA; CARE: CARE AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
28	'133nd Taxable non-priority sector bond'	April 10, 2015	2396.00	2396.00	8.30%	10 years	April 10, 2025	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
29	'134nd Taxable non-priority sector bond'	August 14, 2015	2675.00	2675.00	8.37%	05 years	August 14, 2020	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecur ed	
30	'135th Taxable	Septe mber	2750.00	2750.00	8.36%	05 years	September 22, 2020	CARE: CARE	Unsecur	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
	non-priority sector bond'	22, 2015						AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	ed	
31	'136th Taxable non-priority sector bond'	October 07, 2015	2585.00	2585.00	8.11%	10 Years	October 07, 2025	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
32	'137th Taxable non-priority sector bond'	December 08, 2015	2225.00	2225.00	8.05%	03 Years	December 07, 2018	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
33	'139th Taxable non-priority sector bond'	October 21, 2016	2500.00	2500.00	7.24%	05 Years	October 21, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
34	'140th Taxable non-priority sector bond'	November 07, 2016	2100.00	2100.00	7.52%	10 Years	November 07, 2026	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
35	'141 st Taxable non-priority sector bond'	December 09, 2016	1020.00	1020.00	7.14%	05 Years	December 09, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
36	'142 nd Taxable non-priority sector bond'	December 30, 2016	3000.00	3000.00	7.54%	10 Years	December 30, 2026	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
37	'143 rd Taxable non-priority sector bond'	January 31, 2017	1275.00	1275.00	6.83%	03 Years & 05 Months	June 29, 2020	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
38	'144 th Taxable non-priority sector bond'	February 20, 2017	835.00	835.00	7.13%	03 Years & 05 Months & 01 Day	September 21, 2020	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
39	'145 th Taxable non-priority sector bond'	February 28, 2017	625.00	625.00	7.46%	05 Years	February 28, 2022	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
40	'146 th Taxable non-priority sector bond'	March 03, 2017	3300.00	3300.00	6.88%	01 Year & 06 Months	September 03, 2018	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
41	'147 th Taxable non-priority sector bond'	March 14, 2017	2745.00	2745.00	7.95%	10 Years	March 14, 2027	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
42	'148 th Taxable non-priority sector bond'	March 17, 2017	1200.00	1200.00	7.42%	03 Years & 03 Months	June 17, 2020	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
43	'149 th Taxable non-priority sector bond'	August 24, 2017	2485.00	2485.00	6.87%	03 Years & 01 Month	September 24, 2020	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
44	'150 th Taxable non-priority sector bond'	September 07, 2017	2670.00	2670.00	7.03%	05 Years	September 07, 2022	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
45	'151 st Taxable non-priority sector bond'	September 26, 2017	1150.00	1150.00	6.75%	01 Year & 06 Months	March 26, 2019	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
46	'152 st Taxable non-priority sector bond'	October 17, 2017	1225.00	1225.00	7.09%	05 Years	October 17, 2022	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
47	'153 st Taxable non-priority sector bond'	October 31, 2017	2850.00	2850.00	6.99%	03 Years & 02 Months	December 31, 2020	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
48	'154 st Taxable non-priority sector bond'	November 21, 2017	600.00	600.00	7.18%	03 Years & 06 Months	May 21, 2021	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
49	'155 st Taxable non-priority sector bond'	November 30, 2017	1912.00	1912.00	7.45%	05 Years	November 30, 2022	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	

S. No.	Nature of the Bonds	Date of Allotment	Total value of bonds (₹crores)	Amount outstanding, As on December 31, 2017	Interest Coupon rate (%)	Tenor/ Period of maturity	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Security
50	'156 st Taxable non-priority sector bond'	December 12, 2017	3533.00	3533.00	7.70%	10 Years	December 10, 2027	CARE: CARE AAA; CRISIL: AAA/ Stable; ICRA: ICRA AAA; IR&RPL: IND AAA/ Stable	Unsecured	
Total Un-secured Bonds through Private Placement of Institutional Bond Series			98422.79							
E.	Unsecured Infrastructure bonds issued by our Company Set forth below is a brief summary of certain of our other outstanding unsecured bonds. Some of bonds are listed on the whole sale debt market segment in the NSE									
1.	u/s 80CCF of IT Act 1961 Taxable, Non-convertible Bonds.	March 31, 2011	218.73	82.125	8, 8.1 and 8.2 payable annually	10 years	Redeemable at par on the expiry of 10 years with put option after 5/6/7/8/9 years from the date of allotment	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
2.	u/s 80CCF of IT Act 1961 Taxable, Non-convertible Bonds.	February 15, 2012	157.59	29.504	8.95 and 9.15 payable annually and cumulative	10 years 15 years	Redeemable at par on the expiry of 10/15 years with buyback option after 5/7 years respectively from the date of allotment. February 15, 2022; February 15, 2027	CRISIL: AAA/ Stable; CARE: CARE AAA; FITCH: AAA(ind) ICRA: LAAA	Unsecured	-
			111.629							
Total of Bonds - (3) (A to E)			154961.015							

** The bonds have been issued on private placement basis and are currently listed on the 'whole sale debt market segment' in the NSE.

10.2.2. Corporate Guarantees

Our Company has not issued any Corporate Guarantee as on December 31, 2017.

10.2.3. Details of Commercial Paper

Our Company has issued Commercial Paper of Rs 7,700 Crore till Dec. 2017 with NIL outstanding as on December 31, 2017.

10.2.4. Working Capital Demand Loan from Banks

Our Company has outstanding WCDL of ₹ 1,579 Crore from banks as on December 31, 2017.

10.2.5. Short Term Loan from Banks

Our Company has no outstanding short term loans from banks as on December 31, 2017.

10.2.6. FCNR(B) Loans from Banks

Our Company has raised Foreign Currency Non-Resident (B) loans from Banks amounting to USD 200 million. As at end of December 31, 2017 ₹ 1278.55 Crores is outstanding on account of FCNR(B) loans.

10.2.7. Details of Rest of the Borrowings (if any including hybrid debt like FCCB, Optionally Convertible Debentures/Preference Shares)

Our Company has no outstanding borrowings in form of hybrid debt as on December 31, 2017.

10.3. FINANCIAL INFORMATION (ON STANDALONE BASIS)

Particulars	As on/for the year ended 31.03.17 (Audited)	As on/for the year ended 31.03.16 (Audited)	As on/for the year ended 31.03.15 (Audited)
For Financial Entities			
Net worth	33,325.59	28,617.76	24,857.03
Total Debt	167517.39	169,106.38	151,024.12
of which – Non Current Maturities of Long Term Borrowing	149489.33	138,789.43	131,168.32
- Short Term Borrowing	0	6,349.93	734.00
- Current Maturities of Long Term Borrowing	18028.06	23,967.02	19,121.80
Net Fixed Assets	181.26	150.32	81.32
Non-Current Assets	180,460.11	160,362.94	165,547.04
Cash and Cash Equivalents	4488.04	1,728.19	522.54
Current Investments	149.16	149.16	438.66
Current Assets	28,776.13	45,990.03	17,627.99
Current Liabilities	24,520.26	37,591.50	25,999.11
Asset Under Management	N.A.	N.A.	N.A.
Off Balance Sheet Assets	N.A.	N.A.	N.A.
Interest Income	22935.61	23,470.66	20,072.08
Finance Costs	13,775.12	14,283.12	11,844.61
Net interest income	9160.49	9,187.54	8,227.47
Provisioning & Write-offs	1,109.47	1,089.85	802.96
PAT	6,245.76	5,627.66	5,259.87
Gross NPA (%)	2.41%	2.11%	0.74%
Net NPA (%)	1.60%	1.61%	0.54.%
Tier I Capital Adequacy Ratio (%)			
Tier II Capital Adequacy Ratio (%)			
Total Loan Assets (net)	200293.33	200,265.02	179,281.49
Capital Adequacy ratio (%)			
Net interest margin	4.54%	4.82%	5.01%
Yield on Loan Assets	11.38%	12.32%	12.23%
Cost of funds	8.13%	8.50%	8.36%
Return on Net worth (average)	20.17%	21.05%	23.11%
Debt equity ratio (times)	5.03	5.91	6.08
Total Assets	209236.24	206,352.97	183,175.03
Return on assets (average)	3.01%	2.89%	3.13%

STANDALONE REFORMATTED STATEMENT OF ASSETS AND LIABILITIES

(₹ in crores)

Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES				
(1) Shareholders' Funds				
(a) Share Capital	A	1,974.92	987.46	987.46
(b) Reserves and Surplus	B	31,350.67	27,630.30	23,869.57
<i>Sub-total (1)</i>		33,325.59	28,617.76	24,857.03
(2) Non-current Liabilities				
(a) Long-term Borrowings	C	149,489.33	138,789.43	131,168.32
(b) Deferred Tax Liabilities (Net)		40.26	49.75	107.32
(c) Other Long-term Liabilities	D	12.38	9.50	36.16
(d) Long-term Provisions	E	1,848.42	1,295.03	1,007.09
<i>Sub-total (2)</i>		151,390.39	140,143.71	132,318.89
(3) Current Liabilities				
(a) Short-term Borrowings	F	-	6,349.93	734.00
(b) Other current liabilities	G	24,326.04	30,389.52	24,811.40
(c) Short-term Provisions	E	194.22	852.05	453.71
<i>Sub-total (3)</i>		24,520.26	37,591.50	25,999.11
Total (1+2+3)		209,236.24	206,352.97	183,175.03
II. ASSETS				
(1) Non-current Assets				
(a) Fixed assets	H			
(i) Tangible Assets		120.68	117.83	72.50
(ii) Intangible Assets		0.43	0.91	1.43
(iii) Capital work-in-progress		58.69	30.37	7.39
(iv) Intangible Assets under Development		1.46	1.21	-
		181.26	150.32	81.32
(b) Non-current Investments	I	2,547.29	2,317.46	1,174.81
(c) Long-term Loans & Advances	J	177,348.96	157,794.10	164,213.78
(d) Other Non-current Assets	K	382.60	101.06	77.13
<i>Sub-total (1)</i>		180,460.11	160,362.94	165,547.04
(2) Current Assets				
(a) Current Investments	I	149.16	149.16	438.66
(b) Cash & Bank Balances	L	4,490.02	1,728.55	522.90
(c) Short-term Loans & Advances	M	3,594.56	795.26	1,100.24
(d) Other Current Assets	N	20,542.39	43,317.06	15,566.19
<i>Sub-total (2)</i>		28,776.13	45,990.03	17,627.99
Total (1+2)		209,236.24	206,352.97	183,175.03

STANDALONE REFORMATTED STATEMENT OF PROFIT AND LOSS

(₹ in crores)

	Particulars	Notes No.	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
I.	Revenue from Operations	O	23350.79	23,638.35	20,229.53
II.	Other Income	P	744.56	117.93	158.52
III.	Total Revenue (I+II)		24,095.35	23,756.28	20,388.05
IV.	Expenses				
(i)	Finance Costs	Q	13,775.12	14,283.12	11,844.61
(ii)	Employee Benefits Expense	R	178.07	137.44	133.94
(iii)	Depreciation & Amortization		5.04	5.45	6.76
(iv)	Corporate Social Responsibility Expenses		69.80	128.20	103.25
(v)	Other Expenses	S	98.80	67.01	69.49
(vi)	Provisions and Contingencies	T	1,109.47	1,089.85	802.96
	Total Expenses (IV)		15,236.30	15,711.07	12,961.01
V.	Profit before Prior Period Items & Tax (III-IV)		8,859.05	8,045.21	7,427.04
VI.	Prior Period Items		-1.65	-	-
VII.	Profit before Tax (V-VI)		8,860.70	8,045.21	7,427.04
VIII.	Tax Expense :				
(i)	Current Year		2606.29	2,477.89	2,231.86
(ii)	Earlier Years/ (Refunds)		-27.78	-2.77	1.30
(iii)	Deferred Tax		36.43	-57.57	-65.99
	Total Tax Expense (i+ii+iii)		2614.94	2,417.55	2,167.17
IX.	Profit for the period from Continuing Operations (VII-VIII)		6,245.76	5,627.66	5,259.87
X.	Profit from Discontinuing Operations (after tax)			-	-
XI.	Profit for the period (IX+X)		6245.76	5,627.66	5,259.87
XII.	Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)				
	(1) Basic		31.63	28.50	106.53
	(2) Diluted		31.63	28.50	106.53

STANDALONE REFORMATED STATEMENT OF CASH FLOWS

(₹ in crores)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
A. Cash Flow from Operating Activities :			
Net Profit before Tax	8860.70	8,045.21	7,427.04
Adjustments for:			
1. Profit / Loss on Sale of Fixed Assets	0.52	0.38	0.09
2. Depreciation	4.40	5.45	6.76
3. Provisions and Contingencies	1109.47	1,089.85	802.96
4. Allowance for Staff Advance	0.00	0.00	0.00
5. Interest on Commercial Paper	300.46	285.91	300.03
6. Excess Provision written back	0.00	-0.07	0.00
7. Gain on Changes in Fair Value of Interest Rate Swaps	-324.77	0.00	
8. Profit on sale/redemption of investments	-79.75	-12.29	-
9. Loss/ Gain(-) on Exchange Rate fluctuation	55.09	666.13	259.99
10. Dividend from Subsidiary Co.	-19.50	-10.01	-0.35
11. Dividend from Investments	-66.54	-3.05	-3.63
12. Interest on Long-Term Investments/ Govt. Securities	-226.11	-85.97	-149.18
13. Provision made for Interest on Advance Income Tax	2.82	-	1.38
14. Discount on Bonds written off	0.14	3.99	4.83
15. Interest Accrued on Zero Coupon Bonds	82.45	76.17	70.39
16. Dividend & Dividend Tax paid in excess of provision	0.00	0.00	0.00
Operating profit before Changes in Operating Assets & Liabilities:	9699.38	10,061.70	8,720.31
Increase / Decrease :			
1. Loan Assets	-650.38	-21,733.35	-31,005.84
2. Other Operating Assets	362.55	27.89	-366.08
3. Operating Liabilities	-91.32	936.54	944.51
<i>Cash flow from Operations</i>	<i>9320.23</i>	<i>-10,707.22</i>	<i>21,707.10</i>
1. Income Tax Paid (including TDS)	-2548.11	-2,539.74	-2,284.67
2. Income Tax refund	22.07	42.00	-
Net Cash Flow from Operating Activities	6794.19	-13,204.96	23,991.77
B. Cash Flow from Investing Activities			
1. Sale of Fixed Assets	0.06	0.86	0.18
2. Purchase of Fixed Assets (incl. CWIP & Intangible Assets under development)	-27.01	-104.63	-7.64
3. Investment in shares of Energy Efficiency Services Ltd. (including share application money pending allotment)	0.00	-124.00	
4. Investment in 11.15% Additional Tier-1 Perpetual Bonds of Indian Bank	0.00	-500.00	
5. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Vijaya Bank	0.00	-500.00	
6. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Syndicate Bank	0.00	-500.00	
7. Investment in shares of NHPC Ltd. (net of sale)	-400.80	0.00	
8. Redemption of 8% Government of Madhya Pradesh Power Bonds-II	94.32	94.32	94.32
9. Sale of Long-term Investments	76.65	762.53	-
10. Profit on sale/redemption of investments	79.75	12.29	-
11. Interest on Long-Term Investments/ Govt. Securities	229.94	106.05	154.10
12. Dividend from Subsidiary Co.	19.50	10.01	0.35

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
13. Dividend from Investments	66.54	3.05	3.63
Net Cash Flow from Investing Activities	138.95	-739.52	244.94
C. Cash Flow from Financing Activities			
1. Issue of Bonds (Net of redemptions)	5871.66	14,972.72	21,806.74
2. Raising of Term Loans/ STL from Banks/ FIs (Net of repayments)	-1099.93	-459.07	-955.40
3. Raising of Foreign Currency Loan (Net of redemptions and inclusive of related derivative payments)	-833.33	-2607.56	6344.25
4. Funds received from GOI for further disbursement as Subsidy/ Grant including interest (Net of refund)	8027.15	4,436.52	3,421.17
5. Disbursement of grants	-8039.66	-4,691.45	-3,639.69
6. Repayment of Govt. Loan		-3.07	-4.86
7. Payment of Final Dividend	-503.60	-266.61	-172.81
8. Payment of Interim Dividend	-1382.44	-1184.95	-789.97
9. Payment of Corporate Dividend Tax	-379.98	-293.47	-187.26
10. Premium on issue of Securities	0.00	0.28	-
11. Issue of Commercial Paper (Net of repayments)	-5833.16	5246.79	-2745.74
Net Cash flow from Financing Activities	-4173.29	15,150.13	23,076.43
Net Increase/Decrease in Cash & Cash Equivalents	2759.85	1,205.65	670.40
Cash & Cash Equivalents as at the beginning of the year	1728.19	522.54	1,192.94
Cash & Cash Equivalents as at the end of the year	4488.04	1,728.19	522.54

CONSOLIDATED REFORMATTED STATEMENT OF ASSETS & LIABILITIES

(₹ in crores)

	Particulars	Note No.	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015
I.	EQUITY AND LIABILITIES				
(1)	Shareholders' Funds				
	(a) Share Capital	A	1,974.92	987.46	987.46
	(b) Reserves and Surplus	B	31,695.64	27,905.94	24,085.12
	<i>Sub-total (1)</i>		33,670.56	28,893.40	25,072.58
(2)	Non-current Liabilities				
	(a) Long-term Borrowings	C	149,680.89	138,783.85	131,123.26
	(b) Deferred Tax Liability (Net)		39.92	47.54	105.80
	(c) Other Long-term Liabilities	D	13.42	10.01	36.18
	(d) Long-term Provisions	E	1,849.47	1,295.54	1,007.39
	<i>Sub-total (2)</i>		151,583.70	140,136.94	132,272.63
(3)	Current Liabilities				
	(a) Short-term Borrowings	F	110.98	6,460.77	734.00
	(b) Trade Payables		160.39	117.96	30.83
	(c) Other current liabilities	G	24,524.99	30,477.43	24,887.16
	(d) Short-term Provisions	E	194.30	858.42	458.71
	<i>Sub-total (3)</i>		24,990.66	37,914.58	26,110.70
	Total (1+2+3)		210,244.92	206,944.92	183,455.91
II.	ASSETS				
(1)	Non-current Assets				
	(a) Fixed assets	H			
	(i) Tangible Assets		354.11	253.05	108.50
	(ii) Intangible Assets		0.74	1.03	1.47
	(iii) Capital work-in-progress		164.13	76.84	9.81
	(iv) Intangible Assets under Development		1.46	1.21	-
			520.44	332.13	119.78
	(b) Non-current Investments	I	2,432.57	2,202.14	1,157.21
	(c) Deferred Tax Assets (Net)		-	-	-
	(d) Long-term Loans & Advances	J	177,351.58	157,796.82	164,215.25
	(e) Other Non-current Assets	K	394.07	109.26	85.11
	<i>Sub-total (1)</i>		180,698.66	160,440.35	165,577.35
(2)	Current Assets				
	(a) Current Investments	I	184.36	149.41	438.81
	(b) Inventories	U	51.18	66.79	-
	(c) Trade Receivables	L	438.40	231.89	120.28
	(d) Cash & Bank Balances	M	4,650.79	1,864.08	645.71
	(e) Short-term Loans & Advances	N	3,618.72	809.37	1,100.45
	(f) Other Current Assets	O	20,602.81	43,383.03	15,573.31
	<i>Sub-total (2)</i>		29,546.26	46,504.57	17,878.56
	Total (1+2)		210,244.92	206,944.92	183,455.91

CONSOLIDATED REFORMATTED STATEMENT OF PROFIT AND LOSS

(₹ in Crores)

	Particulars	Notes No.	Year ended 31.03.2017	Year ended 31.03.2016	Year ended 31.03.2015
I.	Revenue from Operations	P	23945.16	24,012.88	20,384.34
II.	Other Income	Q	740.84	117.05	165.55
III.	Total Revenue (I+II)		24,686.00	24,129.93	20,549.89
IV.	Expenses				
(i)	Finance Costs	R	13786.36	14,282.35	11,839.59
(ii)	Employee Benefits Expense	S	192.75	143.19	136.75
(iii)	Depreciation & Amortization		40.33	19.67	8.32
(iv)	Corporate Social Responsibility Expenses	T	68.94	120.29	102.07
(v)	Other Expenses	T	220.58	164.39	104.10
(vi)	Provisions and Contingencies	T	1110.31	1,096.18	806.18
(vii)	Purchases of Stock-in-Trade		273.12	223.60	0.44
(vii)	Changes in inventories of Stock-in-Trade & Work-in-Progress	V	22.76	-66.79	-
	Total Expenses (IV)		15715.15	15,982.88	12,997.45
V.	Profit before Prior Period Items & Tax (III-IV)		8970.85	8,147.05	7,552.44
VI.	Prior Period Items		-1.51	0.39	0.10
VII.	Profit before Tax (V-VI)		8972.36	8,146.66	7,552.34
VIII.	Extraordinary Items		-	-	-
VII.	Profit before Tax (V-VI)		8,972.36	8,146.66	7,552.34
VIII.	Tax Expense :				
(i)	Current Year		2648.37	2,516.85	2,273.93
(ii)	Earlier Years/ (Refunds)		-27.79	-2.77	0.75
(iii)	Deferred Tax		38.41	-58.84	-66.76
	Total Tax Expense (i+ii+iii)		2658.99	2,455.24	2,207.92
IX.	Profit for the period from Continuing Operations (VII-VIII)		6,313.37	5,691.42	5,344.42
X.	Profit from Discontinuing Operations (after tax)		-	-	-
XI.	Profit for the period (IX+X)		6313.37	5,691.42	5,344.42
XII.	Earnings per Equity Share (in ₹ for an equity share of ₹ 10 each)				
	(1) Basic		31.97	28.82	27.06
	(2) Diluted		31.97	28.82	27.06

CONSOLIDATED REFORMATTED STATEMENT OF CASH FLOWS

(₹ in crores)

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
A. Cash Flow from Operating Activities :			
Net Profit before Tax	8,972.36	8,146.66	7,552.34
Adjustments for:			
1. Profit / Loss on Sale of Fixed Assets	0.52	0.38	0.10
2. Depreciation & Amortization	39.69	19.67	8.32
3. Provisions and Contingencies	1,110.31	1,096.18	806.08
4. Allownace for Staff Advances			-
5. Interest on Commercial Paper	300.46	285.91	300.03
6. Interest Expense on Misc. Borrowings	15.79	3.90	0.19
7. Excess Provision written back	-1.42	-0.09	0.03
8. Gain on Changes in Fair Value of Interest Rate Swaps	-324.77	-	-
9. Profit on sale/redemption of investments	-79.75	-12.29	-
10. Loss/ Gain(-) on Exchange Rate fluctuation	47.37	666.13	259.99
11. Dividend from Investments	-63.15	-2.37	-3.63
12. Interest on Long-term Investments/ Govt. Securities	-239.22	-95.76	-154.47
13. Provision made for Interest on Advance Income Tax	2.82	-	1.38
14. Discount on Bonds written off	0.14	3.99	4.83
15. Interest Accrued on Zero Coupon Bonds	82.45	76.17	70.39
16. Dividend & Dividend Tax paid in excess of provision	-	-	-
17. Other Finance Expenses	-	-	-
18. Provision for Diminution in value of Investment	-		0.10
19. Provision for contingencies of Project Cost revisions	-	-	-
Operating profit before Changes in Operating Assets & Liabilities:	9,863.60	10,188.48	8,845.68
Increase / Decrease :			
1. Loan Assets	-650.38	-21,733.35	-31,005.84
2. Other Operating Assets	147.43	-229.95	-435.35
3. Operating Liabilities	13.87	1,029.90	1,027.56
Cash flow from Operations	9,374.52	-10,744.92	-21,567.95
1. Income Tax Paid (including TDS)	-2,592.07	-2,575.09	-2,330.28
2. Income Tax refund	22.07	42.00	-
Net Cash Flow from Operating Activities	6,804.52	-13,278.01	-23,898.23
B. Cash Flow from Investing Activities			
1. Sale of Fixed Assets	0.06	0.85	0.18
2. Purchase of Fixed Assets (incl. CWIP & Intangible Assets under development)	-203.19	-259.41	-45.34
3. Investment in shares of Energypro Assets Limited	-0.60		
4. Investment in 11.15% Additional Tier-1 Perpetual Bonds of Indian Bank	-	-500.00	
5. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Vijaya Bank	-	-500.00	
6. Investment in 11.25% Additional Tier-1 Perpetual Bonds of Syndicate Bank	-	-500.00	
7. Investment in shares of NHPC Ltd. (net of sale)	-400.80	-	
8. Redemption of 8% Government of Madhya Pradesh Power Bonds-II	94.32	94.32	94.32
9. Sale of Long-term Investments	76.65	762.53	-
10. Profit on sale/redemption of investments	79.75	12.29	-

PARTICULARS	YEAR ENDED 31.03.2017	YEAR ENDED 31.03.2016	YEAR ENDED 31.03.2015
11. Interest on Long term Investments/ Govt. Securities	242.43	114.96	158.41
12. Dividend from Investments	66.54	3.05	3.63
13. Investment in Shares of Fellow Subsidiary Companies	0.05	-0.10	-
14. Investment in Tax Free Bonds/Others	-	-26.28	-
15. Fixed Deposit made during the year	-38.12	-1.25	-84.49
16. Fixed Deposit matured during the year	16.95	43.34	24.38
Investments in CP/CDs (Net)	-35.00		
Net Cash Flow from Investing Activities	-100.96	-755.70	151.09
C. Cash Flow from Financing Activities			
1. Issue of Shares including Share Application Money	31.39	-	-
2. Issue of Bonds (Net of redemptions)	5,871.66	14,969.28	21,806.74
3. Raising of Term Loans/ STL from Banks/ FIs (Net of repayments)	-881.04	-308.65	-955.40
4. Raising of Foreign Currency Loan (Net of redemptions and inclusive of related derivative payments)	-833.33	-2,607.56	6,366.18
5. Funds received from GOI for further disbursement as Subsidy/ Grant including interest (Net of refund)	8,027.15	4,436.52	3,421.17
6. Disbursement of grants	-8,039.66	-4,691.45	-3,639.69
7. Repayment of Govt. Loan	-	-3.07	-4.86
8. Payment of Final Dividend	-506.99	-266.61	-172.81
9. Payment of Interim Dividend	-1,382.44	-1,184.95	-789.97
10. Payment of Corporate Dividend Tax	-384.66	-295.51	-187.32
11. Interest Paid on Misc. Borrowings	-15.73	-3.90	-0.19
12. Premium on issue of securities	-	0.28	-
13. Issue of Commercial Paper (Net of repayments)	-5,833.16	5,246.79	-2,745.74
14. Other Finance Expenses	-	-	
Net Cash flow from Financing Activities	-3,946.81	15,291.17	23,098.11
Net Increase/Decrease in Cash & Cash Equivalents	2,756.75	1,257.46	-649.03
Cash & Cash Equivalents as at the beginning of the year	1,823.59	559.10	1,207.95
Cash & Cash Equivalents as at the end of the year	4,580.34	1,816.56	558.92

IMPORTANT FINANCIAL INDICATORS (ON CONSOLIDATED BASIS)

Particulars	As on/ For the year ended 31.03.17 (Audited)	As on/ For the year ended 31.03.16 (Audited)	As on/ For the year ended 31.03.15 (Audited)
For Financial Entities			
Net worth	33,670.56	28,893.40	25,072.58
Total Debt	167851.64	169211.64	150979.06
of which – Non Current Maturities of Long Term Borrowing	149680.89	138,783.85	131,123.26
- Short Term Borrowing	110.98	6,460.77	734.00
- Current Maturities of Long Term Borrowing	18059.77	23,967.02	19,121.80
Net Fixed Assets	520.44	332.13	119.78
Non-Current Assets	180698.66	160,440.35	165,577.35
Cash and Cash Equivalents	4580.34	1,816.56	558.92
Current Investments	184.36	149.41	438.81

Particulars	As on/ For the year ended 31.03.17 (Audited)	As on/ For the year ended 31.03.16 (Audited)	As on/ For the year ended 31.03.15 (Audited)
Current Assets	29546.26	46,504.57	17,878.56
Current Liabilities	24990.66	37,914.58	26,110.70
Asset Under Management	N.A.	N.A.	N.A.
Off Balance Sheet Assets	N.A.	N.A.	N.A.
Interest Income	22935.61	23,470.66	20,072.08
Finance Costs	13786.36	14,282.35	11,839.59
Net interest income	9149.25	9,188.31	8,232.49
Provisioning & Write-offs	1110.31	1,096.18	806.18
PAT	6313.37	5,691.42	5,344.42
Gross NPA (%)*	2.41%	2.11%	0.74%
Net NPA (%)*	1.60%	1.61%	0.54.%
Tier I Capital Adequacy Ratio (%)			
Tier II Capital Adequacy Ratio (%)			
Total Loan Assets (net)	200293.33	200,265.02	179,281.49
Capital Adequacy ratio (%)			
Net interest margin*	4.54%	4.82%	5.01%
Yield on Loan Assets*	11.38%	12.32%	12.23%
Cost of funds*	8.13%	8.50%	8.36%
Return on Net worth (average)	20.18%	21.09%	23.30%
Debt equity ratio (times)	4.99	5.86	6.02
Total Assets	210244.92	206,944.92	183,455.91
Return on assets (average)	3.03%	2.92%	3.18%

* These figures have been given on standalone basis.

10.4. OTHER FINANCIAL PARAMETERS

Particulars	FY 2016-17	FY 2015-16	FY 2014-15
Dividend declared (As %age on FV)	96.5%	171%	107%
Interest Coverage Ratio (times)	1.64	1.56	1.63

10.5. CHANGES IN ACCOUNTING POLICIES DURING THE LAST THREE YEARS AND THEIR EFFECT ON THE PROFITS AND THE RESERVES OF THE COMPANY

Financial Year	Change in accounting policies and their effect
2016-17	<p>During the quarter ended June 30, 2016, the Company had revised the accounting policy for accounting for derivatives contracts in order to align it with the 'Guidance Note on Derivatives' issued by The Institute of Chartered Accountants of India which has become applicable from 1 April 2016. In accordance with the transitional provisions mentioned in the Guidance Note, an amount of ₹ 86.75 Crores after netting of taxes of ₹ 45.92 Crores had been adjusted in the opening balance of reserves, representing the change in the fair value of the interest rate swaps till 31 March 2016. Further, the fair value gain on interest rate swaps of ₹ 324.77 Crores has been booked to the Statement of Profit & Loss for the year ended 31 March 2017 in accordance with the revised accounting policy.</p> <p>Further, the accounting policy on treatment of foreign currency exchange differences on the hedged loans and the corresponding derivative contracts has also been revised in order to align the same with existing accounting policy for amortising the foreign exchange</p>

Financial Year	Change in accounting policies and their effect
	<p>fluctuation loss/ (gain) on the long term foreign currency monetary items over the balance period of such items in accordance with AS-11. The impact of this change, foreign exchange fluctuation loss pertaining to the previous years ₹ 29.79 Crores and foreign exchange fluctuation gain pertaining to current period ₹ 6.69 Crores has been adjusted in the Finance Cost for the for the year ended 31 March 2017.</p> <p>Due to these changes in accounting policies, profit before tax for the year ended 31 March 2017 is higher by ₹ 301.67 Crores.</p>
2015-16	<p>During the year ended 31st March, 2016, the Company had revised the accounting policy in respect of asset classification in line with RBI Guidelines. Further, the accounting policy for creation of allowance against Standard Loan assets has been modified to align it with the revised provisioning requirements for Standard Loans as per RBI Notification dated 10th November, 2014. Due to these changes in accounting policy, profit before tax for the year ended 31st March, 2016 is lower by ₹ 87.87 Crores.</p> <p>Further, minor modifications have been made in the Accounting Policy in respect of basis of preparation of financial statements, revenue recognition, intangible assets and cash flow statements. However, there is no financial impact of such modifications.</p>
2014-15	<p>Consequent to the notification of Companies Act, 2013, modifications have been made in Significant Accounting Policy No. 1(a) and 7. Further, modifications have been made in Significant Accounting Policy No. 2, 6. However, there is no financial impact of such modifications.</p> <p>The Company has also changed its Significant Accounting Policy 4.1 regarding depreciation on fixed assets in alignment with Schedule-II to the Companies Act, 2013 which has become applicable from 1st April, 2014. If the company had followed the earlier policy, profit before tax for the year would have been higher by ₹ 2.89 Crores.</p> <p>Further, the accounting policy on Provisioning against Loans has been amended to create provision @ 2.75% on stock of restructured loans. Thus, during the year, a provision has been made amounting to ₹ 451.77 Crores (Previous year Nil) on qualifying loans(comprising of loans to Public sector ₹ 11,682.23 Crores and loans to Private sector ₹ 4,745.92 Crores). Due to this change in accounting policy, the profit before tax is lower by ₹ 410.70 Crores after considering the existing provision on standard loan assets on theses restructured loans.</p>
2013-14	<p>Modifications were made in Significant Accounting Policy regarding basis of preparation of financial statements, income recognition, income from investments, asset classification, intangible assets, investments and current tax & deferred tax to make it more clarificatory/explicit. However, there was no financial impact of such modifications.</p> <p>Further, the Company changed its Significant Accounting Policy regarding provision on Standard Assets which was created at 0.25% of the outstanding standard assets as against creating it in a phased manner up to March 31, 2015. If the company had followed the earlier policy, the profit after tax for the year would have been higher by ₹ 105.74 crore.</p>

SECTION XI PARTICULARS OF THE OFFER

Eligibility of REC to come out with the Issue and Government Approvals

REC, its Directors and authorised officers have not been prohibited from accessing the debt market under any order or directions passed by SEBI/any other Government authority.

This present issue of Bonds is being made in accordance with extant guidelines for floatation of PSU Bonds as amended from time to time. The Corporation can undertake the activities proposed by it in view of the present approvals and no further approval from any government authority(s) is required by the Corporation to undertake the proposed activities save and except those approvals which may be required to be taken in the normal course of business from time to time. Further, Reserve Bank of India vide its Circular No. RBI/2014-15/475DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 has allowed NBFCs to issue unsecured bonds.

Authority for the Placement

The present issue of Bonds is being made pursuant to:

- (i) resolution passed by the Board of Directors of the Company on March 24, 2017 & September 21, 2017 and delegation provided thereunder;
- (ii) special resolution passed by the shareholders of the Company under section 42 of the Companies Act, 2013 and sub-rule 2 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, in Annual General Meeting held on September 21, 2017;
- (iii) Article 95(xxii), 96 (i) & 96 (ii) of the Articles of Association of the Company.
- (iv) Ministry of Finance Office Memorandums dated February 8, 2018, and March 15, 2018;
- (v) Ministry of Power Office Memorandum & Letter dated March 16, 2018 and Letter Dated March 19, 2018

REC can issue the Bonds proposed by it in view of the present approvals and no further approvals in general from any Government Authority are required by REC to undertake the proposed activity.

Objects of the Issue

The funds will be provided to Government of India for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna Scheme or any other scheme of Government of India

Utilisation of Issue Proceeds

The funds raised through private placement shall be utilised to meet Government of India's requirement for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna Scheme or any other scheme of Government of India

Minimum Subscription

As the current issue of Bonds is being made on private placement basis, the requirement of minimum subscription shall not be applicable and therefore REC shall not be liable to refund the issue subscription(s)/proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

Nature and Class of Securities

Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of debentures - These Bonds shall be fully paid-up and the claims of the Bondholders shall be unsecured, senior and unsubordinated.

Put & Call Option

Neither the Bondholder(s) shall have any right to exercise Put option nor shall the Company have right to exercise Call Option.

Contribution made by Promoters or Directors

NiL

Maximum Investors for the Issue

In view of RBI's Circular No.RBI/2014-15/475DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015 on private placement basis there is no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹ 1 crore and above.

Issue Price

Each Bond has a face value of INR10 Lakh each and is issued at par. The Bonds shall be redeemable at par i.e. for INR10 Lakh per Bond. Since there is no discount or premium on either issue price or redemption value of the Bonds, the effective yield for the investors shall be the same as the coupon rate on the Bonds.

Security

Bonds are Unsecured.

Terms of Payment

The full Issue price of the Bonds applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s)/RTGS for the full face value of the Bonds applied for.

Issue Price of the Bond	Minimum Application for	Amount Payable on Application per Bond
INR10 Lakh	Application must be for a minimum of INR 10 crores and in multiples of INR 1Crore (10 bond) thereafter.	Full Issue Price i.e. INR10 Lakh per bond

Deemed Date of Allotment

The cut-off date declared by the Company from which all benefits under the Bonds including interest on the Bonds shall be available to the Bondholders is called as the Deemed Date of Allotment. The actual allotment of Bonds (i.e. approval from the Board of Directors or a Committee thereof) may take place on a date other than the Deemed Date of Allotment. REC reserves the right to keep multiple allotment date(s)/deemed date(s) of allotment at its sole and absolute discretion without any notice. If in case, the issue closing date changes (i.e. pre-pond/postponed), then the Deemed Date of Allotment may also be changed (pre-pond/ postponed) by REC, at its sole and absolute discretion.

Letter(s) of Allotment/ Bond Certificate(s)/ Refund Order(s)/ Issue of Letter(s) of Allotment

The beneficiary account of the investor(s) with National Securities Depository Ltd. (NSDL)/ Central Depository Services (India) Ltd. (CDSL)/ Depository Participant will be given initial CREDIT within 15 days from the Deemed Date of Allotment. The initial CREDIT in the account will be akin to the Letter of Allotment. On completion of the all-statutory formalities, such CREDIT in the account will be akin to a Bond Certificate.

Bonds to be issued in demat format only

The Bonds since issued in electronic (dematerialized) form, will be governed as per the provisions of the Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL/ CDSL/Depository Participant from time to time and other applicable laws and

rules notified in respect thereof. The Bonds shall be allotted in DEMAT form only. However, if any Bondholder wants to convert bonds into physical form he/she makes appropriate application to the Depositories as per relevant rules and regulations of concerned Depository.

Depository Arrangements

REC has entered into depository arrangements with NSDL and CDSL. The securities shall be issued in dematerialized form as per the provisions of Depositories Act, as amended from time to time.

REC has signed two tripartite agreements in this connection viz.

1. Tripartite Agreement dated November 15, 2007 between REC, National Securities Depository Limited (NSDL) and the Registrar i.e., Karvy Computershare Private Limited
2. Tripartite Agreement dated October 16, 2007 between REC, Central Depository Services Limited (CDSL) and the Karvy Computershare Private Limited.

The Bonds will be issued in dematerialised form and the same shall be in accordance with the provisions of the SEBI Debt Regulations, Depositories Act, 1996 and the regulations made there under and are to be issued as per the terms and conditions stipulated under this Private Placement Offer Letter. The Bond holder will have the right to convert the dematerialized Bonds into physical form as per the Applicable Law.

Procedure for applying for Demat Facility

1. Investor(s) should have / open a beneficiary account with any Depository Participant of NSDL or CDSL.
2. For allotment of Bonds in dematerialized form, the beneficiary account number and depository participants ID shall be specified in the relevant columns of the Application Form.
3. If incomplete/incorrect beneficiary account details are given in the Application Form which does not match with the details in the Depository system, the Allotment of Bonds shall be held in abeyance till such time satisfactory demat account details are provided by the investor.
4. The Bonds allotted to investor in dematerialized form would be directly credited to the beneficiary account as given in the Application Form after verification. Allotment advice/refund order (if any) would be sent directly to the applicant by the Registrar to the Issue but the confirmation of the CREDIT of the Bonds to the investor's Depository Account will be provided to the investor by the investor's DP.
5. Interest or other benefits with respect to the Bonds held in dematerialized form would be paid to those Bondholders whose names appear on the list of beneficial owners given by the depositories to REC as on the Record Date or to the Bondholders who have converted the demat securities to physical form and their names are registered as Bondholders on the registers maintained by Company/Registrar. In case, the beneficial owner is not identified by the Depository on the Record Date due to any reason whatsoever, REC shall keep in abeyance the payment of interest or other benefits, till such time the beneficial owner is identified by the Depository and intimated to REC. On receiving such intimation, REC shall pay the interest or other benefits to the beneficiaries identified, within a period of 15 days from the date of receiving such intimation.
6. Investors may please note that the Bonds in dematerialised form can be traded only on the stock exchanges having electronic connectivity with NSDL or CDSL.

Fictitious applications

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who—

- (a) *makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (b) *makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) *otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name.*

shall be liable for action under Section 447.”

Market Lot

The market lot for trading of Bonds will be one Bond (“Market Lot”).

Trading of Bonds

The marketable lot for the purpose of trading of Bonds shall be ONE (1) BOND. Trading of Bonds would be permitted in dematerialised mode only in standard denomination of INR10 Lakh and such trades shall be cleared and settled in recognised stock exchange(s) subject to conditions specified by SEBI. In case of trading in Bonds which has been made over the counter, the trades shall be executed and reported on a recognized stock exchange having a nation-wide trading terminal or such other platform as may be specified by SEBI.

Mode of Transfer of Bonds

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer’s DP account to his Depository Participant.

Transfer of Bonds to and from foreign investors, in case they seek to hold the Bonds and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with REC.

Interest on Application Money

In respect of Investors who get Allotment of Bonds in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of Application Money in Issuer’s Bank Account upto but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.

Interest on the Bonds

The Bonds shall carry interest at the coupon rates as per term sheet (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of the Income Tax Act, 1961, or any other statutory

modification or re-enactment thereof for which a certificate will be issued by REC) on the outstanding principal amount of Bonds till final redemption.

If any interest payment date falls on a day which is not a Business Day, then payment of interest will be made on the next day that is a Business Day without interest for such additional days. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Computation of Interest

The Bonds will carry interest rates as per the term sheet from the Deemed Date of Allotment. The interest will be paid from the Deemed Date of Allotment (subject to deduction of tax at source at the rates prevailing from time to time under the IT Act, or any other statutory modification or re-enactment thereof) as per term sheet. The Interest shall be computed on “Actual / Actual” day count basis.

Record Date

Record date of interest shall be 15 days prior to each interest payment date and 15 days prior to the date of Maturity. Interest shall be paid to the person whose name appears as sole/first in the Register of Bondholders/beneficiaries position of the Depositories on Record Date or to the Bondholders who have converted the Bonds to physical form and their name is registered on the registers maintained by Company/Registrar. In the event of REC not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the maturity date, the transferees for the Bond shall not have any claim against REC in respect of interest so paid to the registered Bondholder.

Deduction of Tax at Source

Tax as applicable under the IT Act, or any other statutory modification or re-enactment thereof will be deducted at source. The investor(s) desirous of claiming exemption from deduction of income tax at source on the interest on Application money are required to submit the necessary certificate(s), in duplicate, along with the Application Form in terms of Income Tax rules.

Interest payable subsequent to the Deemed Date of Allotment of Bonds will be treated as “Interest on Securities” as per Income Tax Rules. Bondholders desirous of claiming exemption from deduction of income tax at source on the interest payable on Bonds should submit tax exemption certificate/ document, under Section 193 of the Income Tax Act, 1961, if any, at the head office of REC, at least 45 days before the payment becoming due.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

Redemption

The face value of the Bonds will be redeemed at par, on the expiry of the tenor of the Bonds series as per details in the summary term sheet from the Deemed Date of Allotment. The Bonds will not carry any obligation, for interest or otherwise, after the date of redemption. The Bonds shall be taken as discharged on payment of the redemption amount by REC on maturity to the registered Bondholders whose names appear in the Register of Bondholders on the Record Date/ or the beneficial owners as per the list provided by the Depositories. Such payment will be a legal discharge of the liability of the Company towards the Bondholders.

In case if the redemption date falls on a day which is not a Business Day, then the payment due shall be made on the previous Business Day but without liability for making payment of interest after actual date of redemption. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Settlement/ Payment on Redemption

Payment on redemption will be made by way of cheque(s)/ redemption warrants(s)/ demand draft(s)/ CREDIT

through RTGS system in the name of the Bondholders whose name appear on the list of Beneficial Owners given by Depository to REC/or the Bondholders (who have converted the Bonds to physical form), whose names are registered on the register maintained by the REC/Registrar as on the Record Date. The Bonds shall be taken as discharged on payment of the redemption amount by REC on maturity to the list of Bondholders as provided by NSDL/ CDSL/ Depository Participant. Such payment will be a legal discharge of the liability of REC towards the Bondholders. On such payment being made, REC shall inform NSDL/ CDSL/ Depository Participant and accordingly the account of the Bondholders with NSDL/ CDSL/ Depository Participant shall be adjusted.

REC's liability to the Bondholders towards all their rights including for payment or otherwise shall cease and stand extinguished from the due date of redemption in all events. Further REC will not be liable to pay any interest or compensation from the date of redemption. On REC dispatching/ crediting the amount to the Beneficiary(s) as specified above in respect of the Bonds, the liability of REC shall stand extinguished.

Right of Bondholder(s)

Bondholder is not a shareholder. The Bondholders will not be entitled to any other rights and privilege of shareholders other than those available to them under statutory requirements. The Bond(s) shall not confer upon the holders the right to receive notice, or to attend and vote at the General Meeting of the Company. The principal amount and interest on the Bonds will be paid to the registered Bondholders only, and in case of Joint holders, to the one whose name stands first.

Besides the above, the Bonds shall be subject to the provisions of the Companies Act, 1956, notified provisions of Companies Act, 2013 and the relevant rules and regulations, the Articles of Association of REC, the terms of this issue of Bonds and the other terms and conditions as may be incorporated in the Bond Trustee Agreement and other documents that may be executed in respect of these Bonds.

Effect of Holidays

If the interest payment date falls on a holiday, the payment of interest up to original scheduled date, will be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security.

If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment.

It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

If the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

List of Beneficial Owners

REC shall request the Depository to provide a list of Beneficial Owners as at the end of the Record Date. This shall be the list, which shall be considered for payment of interest or repayment of principal amount, as the case may be.

Succession

In the event of the demise of the sole/first holder of the Bond(s) or the last survivor, in case of joint holders for the time being, REC will recognize the executor or administrator of the deceased Bondholder, or the holder of succession certificate or other legal representative as having title to the Bond(s). REC shall not be bound to recognize such executor or administrator, unless such executor or administrator obtains probate, wherever it is necessary, or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. REC may, in its absolute discretion, where it thinks fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in

order to recognize such holder as being entitled to the Bond(s) standing in the name of the deceased Bondholder on production of sufficient documentary proof or indemnity.

Where a non-resident Indian becomes entitled to the Bonds by way of succession, the following steps have to be complied:

- a. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the Bond was acquired by the NRI as part of the legacy left by the deceased holder.
- b. Proof that the NRI is an Indian National or is of Indian origin.

Such holding by the NRI will be on a non-repatriation basis.

Who Can Apply

The following categories are eligible to apply for this private placement of Bonds:

1. Mutual Funds,
2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;
3. Scheduled Commercial Banks;
4. State Industrial Development Corporations;
5. Insurance Companies registered with the Insurance Regulatory and Development Authority;
6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorised to invest in the Issue
7. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;
8. Insurance funds set up and managed by army, navy or air force of the Union of India.
9. Companies and Bodies Corporate authorized to invest in bonds/ debentures;
10. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;
11. Gratuity Funds and Superannuation Funds;
12. Societies authorized to invest in bonds/ debentures;
13. Trusts authorized to invest in bonds/ debentures;
14. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices);
15. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures.

The applications must be accompanied by certified true copies of (1) Memorandum and Articles of Association/ Constitution/Bye-laws; (2) Resolution authorizing investment and containing operating instructions; (3) Specimen signatures of authorized signatories; (4) Necessary forms for claiming exemption from deduction of tax at source on the interest income/ interest on application money, wherever applicable; (5) Documents relating to withholding tax applicability; (6) Copy of Permanent Account Number Card (PAN Card) provided by the Income Tax Department; and (7) in case of remittance of money through electronic mode, a self-attested bank account statement has to be submitted reflecting the debit for the application money. The bank account statement should contain the name of the applicant, account number, name and branch of the bank.

Who Cannot Apply

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

1. Minors
2. Non-resident investors being an individual including NRIs, QFIs(individual), and FPIs(individual or family offices);
3. Venture Capital Fund and Foreign Venture Capital Investor;
4. Overseas Corporate Bodies; and
5. Person ineligible to contract under applicable statutory/regulatory requirements.
6. Resident Individual Investors;

7. Hindu Undivided Families;
8. Partnership firms.

Application under Power of Attorney or by Limited Companies

In case of Applications made under a Power of Attorney or by a Limited Company or a Body Corporate or Registered Society or Mutual Fund, and scientific and/or industrial research organizations or Trusts etc., the relevant Power of Attorney or the relevant resolution or authority to make the Application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form and REC's branch where the Application has been submitted, at the office of the Registrars to the Issue after submission of the Application Form to REC's bankers to the Issue or any of their designated branches as mentioned on the reverse of the Application Form, failing which the applications are liable to be rejected. Such authority received by the Registrars to the Issue more than 10 days after closure of the subscription list may not be considered.

Mode of Subscription/How to Apply

This being a Private Placement Offer, Investors have been addressed through this Communication directly, only are eligible to apply.

Copies of Private Placement Offer Letter and Application Form may be obtained from the registered office of REC. Applications for the Bonds must be in the prescribed form (enclosed) and completed in **BLOCK LETTERS** in English and as per the instructions contained therein.

Applications complete in all respects must be submitted before the last date indicated in the issue time table or such extended time as decided by REC, at any of the designated collection centres, accompanied by the subscription amount by way of cheque(s)/draft(s)/RTGS drawn on any bank including a co-operative bank which is situated at and is a member of the Bankers' clearing house located at a place where the Application Form is submitted. The Original Applications Forms (along with all necessary documents as detailed in the memorandum of information), pay-in slip and other necessary documents should be sent to corporate office through respective Arrangers at New Delhi on the same date.

Outstation cheque(s)/Bank draft(s) drawn on Bank(s) not participating in the clearing process at the designated clearing centres will not be accepted. Money orders/postal orders will also not be accepted. Investors in centres, which do not have any bank, including a Co-operative Bank, which is a member or sub member of the Banker's clearing house located at the above mentioned centres would be required to make payment only through Demand Draft payable at any one of the above mentioned centres. The Corporation assumes no responsibility for any applications/cheques/ DDs lost in mail. All cheques /drafts should be in favour of "Rural Electrification Corporation Ltd. – Bond Issue" and Crossed "Account Payee only". The entire amount of ₹10 Lakhs (Rupee Ten Lakhs only) per bond is payable on application.

Applications should be for the number of Bonds applied for, by the Applicant. Applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be filled in the Application Form. This is required for the applicant's own safety and these details will be printed on the refund orders and interest/ redemption warrants.

The applicant or in the case of an application in joint names, each of the Applicant, should mention his/her Permanent Account Number (PAN) allotted under the Income-Tax Act, 1961 or where the same has not been allotted, the GIR No. and the Income tax Circle/Ward/District. As per the provision of Section 139A (5A) of the Income Tax Act, PAN/GIR No. needs to be mentioned on the TDS certificates. Hence, the investor should mention his PAN/GIR No. In case neither the PAN nor the GIR Number has been allotted, the Applicant shall mention "Applied for" and if, in case the applicant is not assessed to income tax, the applicant shall mention 'Not Applicable' (stating reasons for non-applicability) in the appropriate box provided for the purpose. Application Forms without this information will be considered incomplete and are liable to be rejected.

Unless the Issuer Corporation specifically agrees in writing with or without such terms or conditions it deems fit, a separate single cheque/ demand draft must accompany each Application Form. Applicants are requested to write their names and application serial number on the reverse of the instruments by which the payments are made.

All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form. Public/ Private/ Religious/ Charitable Trusts, Provident Funds and Other Superannuation Trusts and other investors requiring “approved security” status for making investments.

It is to be distinctly noted that in pursuance of sub clause (d) of clause (2) of Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014, remittance of Application Money for subscription to the Bonds shall be made only from the bank account of the person/ entity subscribing to the Bonds. In case of monies payable on subscription to the Bonds to be held by joint holders, the remittance of Application Money shall be made from the bank account of the person whose name appears first in the Application Form. In pursuance of the said provisions, the Applicants are required to submit a self-attested copy of their bank account statement reflecting debit for the application money. Such bank account statement must contain the name of Applicant, account number, name and branch of the bank.

For further instructions, please read General Instructions along with the Application Form carefully.

Force Majeure

REC reserves the right to withdraw the Issue prior to the closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment. REC reserves the right to change the Issue schedule.

Acknowledgements

No separate receipts will be issued for the application money. However, the bankers to the Issue receiving the duly completed Application Form will acknowledge receipt of the application by stamping and returning to the applicant the ‘Acknowledgement Slip’ at the bottom of each Application Form.

Applications under Power of Attorney

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Corporation or to its Registrars or to such other person(s) at such other address(s) as may be specified by the Corporation from time to time through a suitable communication.

Application by Mutual Funds

In case of Applications by Mutual Funds, a separate Application must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and such applications will not be treated as multiple applications, provided that the application made by the Asset Management Company/ Trustees/ Custodian clearly indicate their intention as to the scheme for which the Application has been made.

Right to Accept or Reject Applications

REC reserves its full, unqualified and absolute right to accept or reject any Application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. The Application forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the Application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- (i) Number of Bonds applied for is less than the minimum application size;
- (ii) Applications exceeding the issue size;

- (iii) REC account details not given;
- (iv) Details for issue of Bonds in electronic/ Dematerialized form not given; PAN/GIR and IT Circle/Ward/District not given;
- (v) In case of Applications under Power of Attorney by limited companies, corporate bodies, trusts, etc. relevant documents not submitted;

In the event, if any Bond(s) applied for is/ are not allotted in full, the excess application monies of such Bonds will be refunded, as may be permitted.

PAN/GIR Number

All Applicants should mention their PAN or the GIR Number allotted under IT Act, and the Income Tax Circle/ Ward/ District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

Signatures

Signatures should be made in English or in any of the Indian languages. Thumb impressions must be attested by an authorized official of a REC or by a Magistrate/ Notary Public under his/her official seal.

Nomination Facility

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Bonds shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

Bondholder not a Shareholder

The Bondholders will not be entitled to any of the rights and privileges available to the shareholder. If, however, any resolution affecting the rights attached to the Bonds is placed before the members of REC, such resolution will first be placed before the Bondholders for their consideration.

Modification of Rights

The rights, privileges, terms and conditions attached to the Bonds may be varied, modified or abrogated with the consent, in writing, of those holders of the Bonds who hold majority of the outstanding amount of the Bonds (or any limit as specified under Companies Act or any other provision of law) or with the sanction accorded pursuant to a resolution passed at a meeting of the Bondholders, provided that nothing in such consent or resolution shall be operative against REC where such consent or resolution modifies or varies the terms and conditions of the Bonds, if the same are not acceptable to REC.

REISSUANCE OR CONSOLIDATION

Our company shall have right to reissue or consolidate the bonds under present series in accordance with applicable law.

Future Borrowings

REC shall be entitled to borrow/ raise loans or avail of financial assistance in whatever form as also issue Bonds/ Debentures/ Notes/ other securities in any manner with ranking as *pari-passu* basis or otherwise and to change its capital structure, including issue of shares of any class or redemption or reduction of any class of paid up capital, on such terms and conditions as REC may think appropriate, without the consent of, or intimation to, the Bondholder(s) or the Trustees in this connection.

Ranking of Bonds

The Bonds are Unsecured, Redeemable, Non-Convertible, Non-Cumulative, Taxable Bonds in the nature of Debentures. The Bonds shall rank *pari-passu* inter se and, subject to any obligations preferred by mandatory provisions of the law prevailing from time to time, shall also as regards repayment of principal and payment of interest, rank *pari-passu* with all other existing unsecured borrowings (except subordinated debt) of the Corporation.

Bond/ Debenture Redemption Reserve

As per the Companies (Share Capital and Debentures) Rules,2014 dated March 31, 2014, DRR is not required to be created in the case of privately placed debentures issued by NBFC's registered with the RBI under section 45-IA of the RBI (Amendment) Act, 1997.

Notices

All notices required to be given by REC or by the Bond Trustees to the Bondholders shall be deemed to have been given if sent by ordinary post/ courier to the original sole/ first allottees of the Bonds and/ or if published in one All India English daily newspaper and one regional language newspaper.

All notices required to be given by the Bondholder(s), including notices referred to under "Payment of Interest" and "Payment on Redemption" shall be sent by registered post or by hand delivery to REC or to such persons at such address as may be notified by REC from time to time.

Tax Benefits to the Bondholders of REC

The holder(s) of the Bonds are advised to consider in their own case, the tax implications in respect of subscription to the Bonds after consulting their own tax advisor/ counsel.

Disputes & Governing Law

The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the jurisdiction of courts of New Delhi.

Investor Relations and Grievance Redressal

Arrangements have been made to redress investor grievances expeditiously as far as possible, REC endeavours to resolve the investors' grievances within 30 days of its receipt. All grievances related to the issue quoting the Application Number (including prefix), number of bonds applied for, amount paid on application and Bank and Branch/REC collection centre where the Application was submitted, may be addressed to the Resource Mobilization Unit at the Head office. All investors are hereby informed that the Company has appointed a Compliance Officer who may be contracted in case of any problem related to this issue.

SECTION XII
SUMMARY TERM SHEET

Security Name	8.01%S.A. GoI Fully Serviced Bond Series-II
Issuer	Rural Electrification Corporation Limited
Type of Instrument	Government of India fully serviced, Unsecured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures
Nature of Instrument	Unsecured
Seniority	Since the Maturity value and the coupon payment throughout the tenure is to be funded by Government of India from separate dedicated account, this is not applicable
Mode of Issue	Private placement
Eligible Investors	<p>As per applicable RBI Regulations for Government NBFC-ND</p> <ol style="list-style-type: none"> 1. Mutual Funds, 2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013; 3. Scheduled Commercial Banks; 4. State Industrial Development Corporations; 5. Insurance Companies registered with the Insurance Regulatory and Development Authority; 6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorised to invest in the Issue 7. National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; 8. Insurance funds set up and managed by army, navy or air force of the Union of India; 9. Companies and Bodies Corporate authorized to invest in bonds/debentures; 10. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures; 11. Gratuity Funds and Superannuation Funds; 12. Societies authorized to invest in bonds/debentures; 13. Trusts authorized to invest in bonds/debentures; 14. Foreign Institutional Investors and sub-accounts registered with SEBI or Foreign Portfolio Investors (not being an individual or family offices); 15. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures.
Non-Eligible classes of Investors	<ol style="list-style-type: none"> 1. Minors; 2. Non-resident investors being an individual including NRIs, QFIs(individual), and FPIs(individual or family offices); 3. Venture Capital Fund and Foreign Venture Capital Investor; 4. Overseas Corporate Bodies; 5. Person ineligible to contract under applicable statutory/regulatory requirements; 6. Resident Individual Investors; 7. Hindu Undivided Families; and 8. Partnership firms

Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	BSE and/or NSE
Rating of the Instrument	IND AAA by IR&RPL CARE AAA (Triple A) by CARE CRISIL AAA/Stable by CRISIL ICRA AAA by ICRA
Issue Size	₹ 1,000 Crores
Option to retain oversubscription	Upto Rs. 1163 crores aggregating to Rs. 2163 crores
Objects of the Issue	The funds will be provided to Government of India for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna Scheme or any other scheme of Government of India
Details of the utilization of the Proceeds	The funds will be provided to Government of India for implementation of Deen Dayal Upadhyaya Gram Jyoti Yojna Scheme or any other scheme of Government of India
Coupon Rate	8.01% Semi-annual
Step Up/Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi Annual
Coupon Payment Date*	First Interest payment on 26.09.2018, after that Semi-annually on March & September 26th every year and Last interest payment on 24.03.2028 along with maturity proceeds.
Coupon Type	Fixed
Coupon Reset	N.A.
Day Count Basis	Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis
Interest on Application Money	In respect of Investors to whom Bonds are Allotted in the Issue, interest on Application Money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) on the aggregate face value amount of Bonds for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. Such interest on Application Money shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Interest on Refunded Money against which Allotment is not made	In respect of applications, which are valid but rejected on account of oversubscription, interest on refunded money shall be paid at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) (excluding the valid rejections) for the period starting from and including the date of realization of Application Money in Issuer's Bank Account up to but excluding the Deemed Date of Allotment. The refund amounts together with interest thereon shall be paid by the Issuer to the relevant Applicants within 15 days from the Deemed Date of Allotment.
Default Interest Rate	2% p.a. over the coupon rate will be payable by the Company for the defaulting period in case of default in payment of interest/redemption amount.
Tenure	10 Years

Redemption Date **	March 24 th , 2028
Redemption Amount	Redeemed at face value of Bonds
Redemption Premium /Discount	Nil
Issue Premium/Discount	Nil
Issue Price	₹ 10 lakh per bond
Discount at which security is issued and the effective yield as a result of such discount.	Nil
Put option Date	N.A.
Put option Price	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	₹ 10 lakh per bond
Minimum Application and in multiples of Debt securities thereafter	Application must be for a minimum size of INR 10 Crores (100 bonds) and in multiple of INR 1 Crore (10 bond) thereafter.
Issue Timing 1. Issue Opening Date 2. Issue Closing Date 3. Pay-in Date 4. Deemed Date of Allotment	March 26 th , 2018 March 26 th , 2018 March 26 th , 2018 March 26 th , 2018
No. of Applications	N.A.***
Issuance mode of the Instrument	In Dematerialized mode
Trading mode of the Instrument	In Dematerialized mode
Settlement mode of the Instrument	Payment of interest and repayment of principal shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/ credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.
Depository	National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Effect of Holidays	If the interest payment date falls on a holiday, the payment of interest up to original scheduled date, will be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. It is clarified that Interest/redemption with respect to debentures, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai. If the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.

Record Date	15 Calendar days prior to each Coupon Payment Date/ Redemption date.
Security	Bonds are Unsecured.
Payment Mechanism	The repayment of principal and interest shall be met with by Government of India by making suitable budget provisions in the demand of Ministry of Power.
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Bondholders; 2. Debenture Trusteeship Agreement; 3. Debenture/Bond Trust Deed; 4. Rating letter from IRRPL; 5. Rating letter from CARE; 6. Rating letter from CRISIL; 7. Rating letter from ICRA; 8. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form; 9. Tripartite Agreement between the Issuer; Registrar and CDSL for issue of Bonds in dematerialized form; 10. Letter appointing Registrar; 11. Application made to BSE and/or NSE for seeking their in-principle approval for listing of Bonds; 12. Listing Agreement with BSE and/or NSE; 13. Ministry of Finance Office Memorandums dated February 8, 2018, and March 15, 2018; 14. Ministry of Power Office Memorandum & Letter dated March 16, 2018 and Letter Dated March 19, 2018 15. Letters appointing Arrangers to the Issue.
Additional Covenants	<p>The Company shall allot the Bonds within sixty days from the date of receipt of the application money for such Bonds and if the Company is not able to allot the Bonds within such period, it shall repay the application money to the subscribers within fifteen days from the date of completion of sixty days and if the Company fails to repay the application money within the aforesaid period, it shall be liable to repay such money with interest at the rate of 12% p.a. from the expiry of the sixtieth day.</p> <p>Listing: The Issuer shall complete all the formalities and seek listing permission within 15 days from the Deemed Date of Allotment.</p> <p>In case of delay in listing of the Bonds within the prescribed period from the Deemed Date of Allotment, the Company shall pay penal interest at the rate as mentioned in relevant regulations.</p> <p>In case the Bonds issued to the SEBI registered FIIs / sub-accounts of FIIs/FPIs are not listed within 15 days of issuance to the SEBI registered FIIs / sub-accounts of FIIs/FPIs, for any reason, then the FII/sub-account of FII/FPIs shall immediately dispose of the Bonds either by way of sale to a third party or to the Issuer and in case of failure to list the Bonds issued to SEBI registered FIIs/ sub-accounts of FIIs/FPIs within 15 days of issuance, the Issuer shall immediately redeem / buyback such Bonds from the FIIs/sub-accounts of FIIs/FPIs.</p>
Events of Default	As specified in the Bond Trust Deed
Remedies	As mentioned in Bond Trust Deed
Cross Default	N.A.
Trustee	SBICAP Trustee Company Limited
Registrars	Karvy Computershare Private Limited

Role and Responsibilities of Debenture Trustee	The Trustees shall protect the interest of the Bondholders as stipulated in the Bond Trust Deed and in the event of default by REC in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of REC. No Bondholder shall be entitled to proceed directly against REC unless the Trustees, having become so bound to proceed, fail to do so.		
Conditions precedent to subscription of Bonds	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> Rating letters from IRRPL, CARE, ICRA and CRISIL not being more than one month old from the issue opening date; Seek a written consent letter from the Trustees conveying their consent to act as Trustees for the Bondholders; Making an application to BSE and/or NSE for seeking their in-principle approval for listing of Bonds. 		
Conditions subsequent to subscription of Bonds	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per time frame mentioned elsewhere in this Private Placement Offer Letter:</p> <ol style="list-style-type: none"> Ensuring that the payment made for subscription to the Bonds is from the bank account of the person/ entity subscribing to the Bonds and keep record of the bank accounts from where payments for subscriptions have been received and in case of subscription to the Bonds to be held by joint holders, monies are paid from the bank account of the person whose name appears first in the Application Form; Maintaining a complete record of private placement offers in Form PAS-5 and filing the such record along with Private Placement Offer Letter in Form PAS-4 with the Registrar of Companies, National Capital Territory of Delhi & Haryana with fee as provided in Companies (Registration Offices and Fees) Rules, 2014 and with Securities and Exchange Board of India, within a period of thirty days of circulation of the Private Placement Offer Letter; Filing a return of allotment of Bonds with complete list of all Bondholders in Form PAS-3 under Section 42(9) of the Companies Act, 2013, with the Registrar of Companies, National Capital Territory of Delhi & Haryana within thirty days of the Deemed Date of Allotment along with fee as provided in the Companies (Registration Offices and Fees) Rules, 2014; Credit of demat account(s) of the allottee(s) by number of Bonds allotted within the stipulated time period from the Deemed Date of Allotment; Taking steps for listing of Bonds with BSE and/or NSE within 15 days from the Deemed Date of Allotment of Bonds; Submission of Debenture/Bond Trust Deed with BSE and/or NSE within five working days of execution of the same for uploading on their website. Filing of Form PAS-4 and PAS- 5 with SEBI <p>Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in this Private Placement Offer Letter.</p>		
Mode of Subscription	<p>Applicants may make remittance of application money through either of following two modes:</p> <p>Cheque(s)/ demand draft(s)/ bank funds transfer may be drawn in favour of "RURAL ELECTRIFICATION CORPORATION BOND ACCOUNT" and marked "A/c Payee Only" payable at par at any of the CBS branches of the Collecting Bankers to the Issue as per details given hereunder:</p> <table> <tr> <td>Name of the Banker</td> <td>HDFC Bank Ltd</td> </tr> </table>	Name of the Banker	HDFC Bank Ltd
Name of the Banker	HDFC Bank Ltd		

	Credit into Current A/c 00030350004616 Electronic transfer of funds through RTGS mechanism for credit as per details given hereunder: Name of the Banker HDFC Bank Ltd Credit into Current A/c 00030350004616 Account Name "RURAL ELECTRIFICATION CORPORATION BOND ACCOUNT" IFSC Code HDFC0000003 Address of the Branch Surya Kiran Branch, KG Marg, New Delhi 110 001
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts of New Delhi.

* As per the SEBI circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016, if the interest payment date falls on a holiday or Sunday, the payment may be made on the following working day without including the interest for holiday or Sunday and the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. The said Provision shall be applicable for the debt securities issued, in accordance with SEBI (Issue and Listing of Debt Securities) Regulations, 2008, on or after January 01, 2017.

** As per the SEBI circular no. CIR/IMD/DF/18/2013 dated October 29, 2013, if the redemption date falls on a holiday or Sunday, then such payment shall be made on the previous working date along with interest is required to be paid till the redemption date.

***As per the RBI circular no. RBI/2014-15/475 DNBR (PD) CC No. 021/03.10.001/2014-15 dated February 20, 2015, there shall be no limit on the number of subscribers in respect of issuances with a minimum subscription of ₹ 1 crore and above.

Illustration of Bond Cash Flows

Company	Rural Electrification Corporation Limited
Face Value (per security)	₹ 10,00,000/-
Issue Date/Date of Allotment	March 26 th , 2018 (The credit of debt securities into the demat a/c within 2 working days of allotment)
Tenure	10 Years
Coupon Rate	8.01% Semi-annual
Frequency of the Interest Payment with specified dates	Semi Annual
Day Count Convention	Actual / Actual

Particulars	Original Date	Revised Date	No. of Days	Cash Flow
1st Coupon	Wednesday 26-09-2018	Wednesday 26-09-2018	184	56,93,46,411
2nd Coupon	Tuesday 26-03-2019	Tuesday 26-03-2019	181	56,00,63,589
3rd Coupon	Thursday 26-09-2019	Thursday 26-09-2019	184	56,93,46,411
4th Coupon	Thursday 26-03-2020	Thursday 26-03-2020	182	56,16,19,180
5th Coupon	Saturday 26-09-2020	Monday 28-09-2020	184	56,77,90,820
6th Coupon	Friday 26-03-2021	Friday 26-03-2021	181	56,00,63,589
7th Coupon	Sunday 26-09-2021	Monday 27-09-2021	184	56,93,46,411
8th Coupon	Saturday 26-03-2022	Monday 28-03-2022	181	56,00,63,589
9th Coupon	Monday 26-09-2022	Monday 26-09-2022	184	56,93,46,411
10th Coupon	Sunday 26-03-2023	Monday 27-03-2023	181	56,00,63,589
11th Coupon	Tuesday 26-09-2023	Tuesday 26-09-2023	184	56,93,46,411
12th Coupon	Tuesday 26-03-2024	Tuesday 26-03-2024	182	56,16,19,180
13th Coupon	Thursday 26-09-2024	Thursday 26-09-2024	184	56,77,90,820
14th Coupon	Wednesday 26-03-2025	Wednesday 26-03-2025	181	56,00,63,589

15th Coupon	Friday 26-09-2025	Friday 26-09-2025	184	56,93,46,411
16th Coupon	Thursday 26-03-2026	Thursday 26-03-2026	181	56,00,63,589
17th Coupon	Saturday 26-09-2026	Monday 28-09-2026	184	56,93,46,411
18th Coupon	Friday 26-03-2027	Friday 26-03-2027	181	56,00,63,589
19th Coupon	Sunday 26-09-2027	Monday 27-09-2027	184	56,93,46,411
20th Coupon	Sunday 26-03-2028	Friday 24-03-2028	182	55,54,47,541
Principal	Sunday 26-03-2028	Friday 24-03-2028		14,10,00,00,000
TOTAL:-				25,38,94,83,952

SECTION XIII
MATERIAL EVENT, DEVELOPMENT OR CHANGE AT THE TIME OF ISSUE

There has been no material development on date of PPOL which affects our Company.

SECTION XIV CREDIT RATING & RATIONALE THEREOF

India Ratings & Research Private Limited (“**IR&RPL**”) vide its letter dated March 19, 2018, has assigned a credit rating of “**INDAAA/Stable**” to the long term borrowing programme of REC aggregating to ₹ 50,000 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from IRRPL is enclosed elsewhere in this Private Placement Offer Letter.

Credit Analysis & Research Limited (“**CARE**”) vide its letter dated March 19, 2018, has reaffirmed a credit rating of “**CARE AAA (Triple A)**” to the long term borrowing programme of REC aggregating to ₹ 50,000 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from CARE is enclosed elsewhere in this Private Placement Offer Letter.

CRISIL Limited (“**CRISIL**”) its letter dated March 19, 2018, has reaffirmed a credit rating of “**CRISIL AAA/Stable**” to the long term borrowing programme of REC aggregating to ₹ 50,000 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.

ICRA Limited (“**ICRA**”) its letter dated March 19, 2018, has assigned a credit rating of “**ICRA AAA**” to the long term borrowing programme of REC aggregating to ₹ 50,000 crore. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. A copy of rating letter from CRISIL is enclosed elsewhere in this Private Placement Offer Letter.

Other than the CREDIT ratings mentioned hereinabove, REC has not sought any other CREDIT rating from any other CREDIT rating agency(ies) for the Bonds offered for subscription under the terms of this Private Placement Offer Letter.

The above ratings are not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the assigning rating agencies and each rating should be evaluated independently of any other rating. The ratings obtained are subject to revision at any point of time in the future. The rating agencies have the right to suspend, withdraw the rating at any time on the basis of new information etc.

SECTION XV

NAME OF BOND TRUSTEE

In accordance with the provisions of Section 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules 2014 and Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, REC has appointed SBICAP Trustee Company Limited to act as Bond Trustee (“**Bond Trustee**”) for and on behalf of the holder(s) of the Bonds. The address and contact details of the Trustees are as under:



SBICAP Trustee Company Limited
202, Maker Tower – ‘E’,
Cuffe Parade, Colaba,
Mumbai 400 005

and

Apreejay House, 6th floor,
3, West Wing, DinshawWachha Road,
Churchgate, Mumbai 400 020

Also having one of the offices at:

424-425, 4th Floor, World Trade Centre,
Babar lane, New Delhi - 110001

A copy of letter from SBICAP Trustee Company Limited conveying their consent to act as Bond Trustee for the current issue of Bonds is enclosed elsewhere in this Private Placement Offer Letter.

REC hereby undertakes that the rights of the Bondholders will be protected as per the agreement/deed executed/to be executed between REC and the Bond Trustee. The Bond Trustee Agreement/Deed shall contain such clauses as may be prescribed under Section 71 of the Companies Act, 2013, Companies (Share Capital and Debentures) Rules, 2014 and those mentioned in Schedule IV of the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993. Further the Bond Trustee Agreement/Deed shall not contain any clause which has the effect of (i) limiting or extinguishing the obligations and liabilities of the Bond Trustee or REC in relation to any rights or interests of the holder(s) of the Bonds; (ii) limiting or restricting or waiving the provisions of the SEBI Act; SEBI Debt Regulations and circulars or guidelines issued by SEBI; and (iii) indemnifying the Trustees or REC for loss or damage caused by their act of negligence or commission or omission.

The Bondholder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Bond Trustee or any of their agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Bonds as the Bond Trustee may in their absolute discretion deem necessary or require to be done in the interest of the holder(s) of the Bonds. Any payment made by REC to the Bond Trustee on behalf of the Bondholder(s) shall discharge REC *protanto* to the Bondholder(s). The Bond Trustee shall protect the interest of the Bondholders in the event of default by REC in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of REC. No Bondholder shall be entitled to proceed directly against REC unless the Bond Trustee, having become so bound to proceed, fail to do so. In the event of REC defaulting in payment of interest on Bonds or redemption thereof, any distribution of dividend by REC shall require approval of the Bond Trustee.

SECTION XVI STOCK EXCHANGE WHERE SECURITIES ARE PROPOSED TO BE LISTED

The Unsecured, Redeemable, Non-Convertible, Non-Cumulative Bonds in the nature of Debentures (“Bonds”) (GoI Fully Serviced Bond Series-II) are proposed to be listed on the Wholesale Debt Market (WDM) Segment of the BSE and/or NSE. The company has obtained the in-principle approval of BSE and/or NSE for listing of the Bonds. REC shall make an application to the BSE and/or NSE to list the Bonds to be issued and allotted under this Private Placement Offer Letter and complete all the formalities relating to listing of the Bonds within stipulated time (as per applicable law) from the date of closure of the Issue. If the permission to list and trade the Bonds is not granted by the stock exchanges, our Company shall forthwith repay, without interest, all such moneys received from the Applicant in pursuance of this Private Placement Offer Letter and Section 40 of the Companies Act, 2013. If default is made, our Company and every officer in default will liable to fine as prescribed in Section 40 of the Companies Act, 2013.

In connection with listing of Bonds with BSE and/or NSE, REC hereby undertakes that:

- It shall comply with conditions of listing of Bonds as may be specified in the Listing Agreement with BSE and/or NSE.
- Ratings obtained by REC shall be periodically reviewed by the CREDIT rating agencies and any revision in the rating shall be promptly disclosed by REC to BSE and/or NSE.
- Any change in rating shall be promptly disseminated to the holder(s) of the Bonds in such manner as BSE and/or NSE may determine from time to time.
- REC, the Bond Trustee and BSE and/or NSE shall disseminate all information and reports on Bonds including compliance reports filed by REC and the Trustees regarding the Bonds to the holder(s) of Bonds and the general public by placing them on their websites.
- Bond Trustee shall disclose the information to the holder(s) of the Bonds and the general public by issuing a press release in any of the following events:
 - (i) default by REC to pay interest on Bonds or redemption amount;
 - (ii) revision of rating assigned to the Bonds;
- The information referred to in para above shall also be placed on the websites of the Trustees, REC, BSE and/or NSE.

SECTION XVII
DEBT EQUITY RATIO (On standalone basis)

Particulars	Pre-Issue*	Post-Issue [#]
Debt		
Short Term Debt	0.00	0.00
Long Term Debt	1,67,517.38	1,96,909.38
Total Debt (A)	1,67,517.38	1,96,909.38
Equity		
Share Capital	1,974.92	1,974.92
Reserves & Surplus	31,350.67	31,350.67
Total Equity (B)	33,325.59	33,325.59
Debt / Equity (A/B)	5.03	5.91

* Pre issue figures are as on March 31, 2017.

No effect has been given for changes in equity and debt instruments subsequent to March 31, 2017 except ₹ 2,485 Crores towards Institutional Bonds Series 149, ₹ 2,670 Crores towards Institutional Bonds Series 150, ₹ 1,150 Crores towards Institutional Bonds Series 151, ₹ 1,225 Crores towards Institutional Bonds Series 152, ₹ 2,850 Crores towards Institutional Bonds Series 153, ₹ 600 Crores towards Institutional Bonds Series 154, ₹ 1,912 Crores towards Institutional Bonds Series 155, ₹ 3,533 Crores towards Institutional Bonds Series 156, Rs. 1055 Crores towards Institutional Bonds Series 157, Rs. 2,465 Crores towards Institutional Bonds Series 158, Rs. 950 Crores towards Institutional Bonds Series 159, Rs. 1,450 Crores toward Institutional Bonds Series 160, Rs 3,800 Crore towards Institutional Bonds Series 161, Rs 1,837 Crore towards GoI Fully Serviced Bond Series-I & Rs 1,410 Crore towards proposed GoI Fully Serviced Bond Series-II

SECTION XVIII WILFUL DEFULTER

Neither the Issuer nor any of the current directors of the Issuer has been declared as wilful defaulter.

SECTION XIX SERVICING BEHAVIOUR ON EXISTING DEBT SECURITIES AND OTHER BORROWINGS

REC hereby confirms that:

- a) The main constituents of REC's borrowings have been in the form of borrowings from Banks and Financial Institutions, Bonds etc.
- b) REC has been servicing all its principal and interest liabilities on time and there has been no instance of delay or default since inception.
- c) REC has neither defaulted in repayment/ redemption of any of its borrowings nor affected any kind of roll over against any of its borrowings in the past.

SECTION XX

UNDERTAKING REGARDING COMMON FORM OF TRANSFER

The Bonds shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/CDSL/Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Bonds held in electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with REC.

Where the Bonds are held in physical form, transfer of Bonds shall be as per the relevant provisions of Companies Act, 2013, and Ministry of Corporate Affairs notification number GSR 463(E) dated June 5, 2015 issued in respect of Government Companies or any other relevant law. However, REC reserves it right to duly confirm the identity of the transferor and conduct necessary due diligence wherever required.

SECTION XXI

MATERIAL CONTRACTS & AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS OF THE ISSUER

By very nature of its business, REC is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of REC. However, the contracts referred below (not being contracts entered into in the ordinary course of the business carried on by REC) which are or may be deemed to be material have been entered into by REC. Copies of these contracts together with the copies of documents referred below may be inspected at the Head Office of REC between 10.00 a.m. and 2.00 p.m. on any working day until the issue closing date.

MATERIAL DOCUMENTS

1. Memorandum and Articles of Association of the Company, as amended to date.
2. Certificate of Incorporation dated July 3, 1969 and Fresh Certificate of Incorporation dated July 18, 2003.
3. Copy of shareholders resolution obtained for overall borrowing limit.
4. Credit Rating letters issued by CARE, IRRPL, ICRA and CRISIL respectively.
5. Auditor's Report and standalone financial statements for the financial year March 31, 2017, 2016 and 2015 and consolidated financial statements prepared under Indian GAAP for the financial year 2017, 2016 and 2015.
6. Annual Report of the Company for the last three Fiscals.
7. Board Resolutions dated March 24, 2017 and September 21, 2017 authorizing issue of Bonds offered on private placement basis.
8. Letter of consent from Trustee dated May 3, 2017 for acting as Trustees for and on behalf of the holder(s) of the Bonds.
9. Tripartite Agreement between REC, NSDL and Karvy Computershare Private Limited for issue of Bonds in Dematerialized form.
10. Tripartite Agreement between REC, CDSL and Karvy Computershare Private Limited for issue of Bonds in Dematerialized form.
11. Bond Trustee Agreement between the Company and Bond Trustee.
12. Bond Trust Deed in favour of Trustee.
13. EBP Agreements with BSE and NSE dated August 24, 2016 and December 07, 2016, respectively.
14. Ministry of Finance Office Memorandums dated February 8, 2018, and March 15, 2018;
15. Ministry of Power Office Memorandum & Letter dated March 16, 2018 and Letter Dated March 19, 2018



SECTION XXII DECLARATION

The Company undertakes that this Private Placement Offer Letter contains full disclosures in conformity with Form PAS-4 prescribed under Section 42 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued vide circular no. LAD-NRO/GN/2008/13/127878 dated June 6, 2008, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 issued vide circular no. LAD-NRO/GN/2012-13/19/5392 dated October 12, 2012, as amended, Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2014 issued vide circular no. LAD-NRO/GN/2013-14/43/207 dated January 31, 2014, as amended, circular no. DNBD(PD) CC No. 021 /03.10.001/2014-15 dated February 20, 2015 issued by the Reserve Bank of India on "Raising Money through Private Placement of Non-Convertible Debentures (NCDs) by NBFCs as amended from time to time".

The Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder. It is to be distinctly understood that compliance with the Companies Act, 2013 and the rules does not imply that payment of interest or repayment of Bonds, is guaranteed by the Government of India.

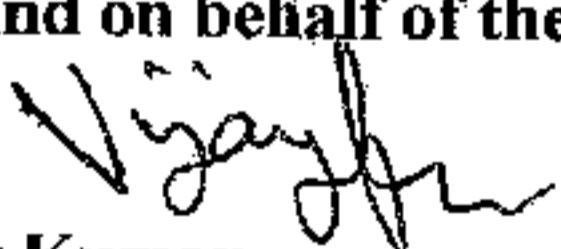
The Company undertakes that the monies received under the Issue shall be utilized only for the purposes and 'Objects of the Issue' indicated in the Private Placement Offer Letter.

The Issuer accepts no responsibility for the statement made otherwise than in the Private Placement Offer Letter or in any other material issued by or at the instance of the Issuer and that anyone who places reliance on any other source of information would be doing so at his own risk.

The undersigned has been authorized by the Board of Directors of the Company vide resolution number 430.4.7 dated March 24, 2017 and resolution number 435.2.2 dated September 21, 2017 by the Board to sign this Private Placement Offer Letter and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this Private Placement Offer Letter and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association of the Company.

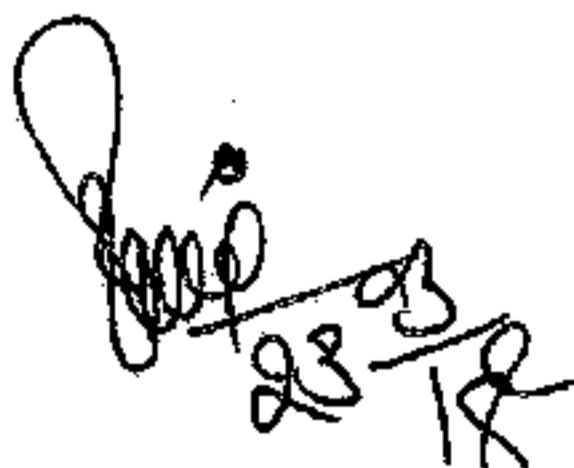
It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this Private Placement Offer Letter.

For and on behalf of the Board of Directors of Rural Electrification Corporation Limited


Vijay Kumar
Addl. General Manager (Finance)
Place: New Delhi
Date: March 23rd, 2018

विजय कुमार / VIJAY KUMAR
अपर महाप्रबन्धक (वित्त)
Addl. General Manager (Fin.)
राजल इलेक्ट्रीफिकेशन कॉरपोरेशन लिमिटेड
Rural Electrification Corporation Ltd.
(भारत सरकार का उद्यम / A Govt. of India Enterprise)
कोर-4, स्कोप परिसर / Core-4, SCOPE Complex
7 लोधी रोड, नई दिल्ली / 7, Lodhi Road, New Delhi-03

(i) Copy of resolution of the Board of Directors authorizing the present Issue of Bonds.
(ii) Copy of special resolution passed by the shareholders of the Company under section 42 of the Companies Act, 2013 and sub-rule 2 of rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, dated September 21, 2017.
(iii) Copy of rating letters from IR&RPL, CARE, ICRA and CRISIL.
Copy of consent letter from SBICAP Trustee Company Limited to act as Trustees for the Bondholders.



SECTION XXIII ANNEXURES

- A. APPLICATION FORM ALONG-WITH GENERAL INSTRUCTIONS – SHALL BE ISSUED SEPARATELY**
- B. CONSENT LETTER OF TRUSTEE**
Annexed as Annexure – I
- C. CREDIT RATING LETTERS & RATING RATIONALE**
Annexed as Annexure- II
- D. COPY OF SPECIAL RESOLUTION DATED SEPTEMBER 21, 2017 AND BOARD RESOLUTIONS DATED MARCH 24, 2017 and SEPTEMBER 21, 2017**
Annexed as Annexure- III
- E. LIMITED REVIEW REPORT FOR 30th SEPTEMBER 2017**
Annexed as Annexure- IV



No.0026/2017-2018/CL - 1865

Date : 03rd May, 2017.

Rural Electrification Corporation Ltd
Core 4, SCOPE Complex, 7, Lodhi Road, New Delhi
110 003, India
110003

Attn : Mr. Vijay Kumar - Addl. General Manager (F&A)

Dear Sir,

Appointment of SBICAP Trustee Company Limited as Debenture Trustee for issue of Secured/unsecured Institutional Bonds on Private Placement basis for the FY 2017-18 aggregating to Rs. 50,000 crores

This is with reference to the appointment of SBICAP Trustee Company Limited as Debenture Trustee.

In this connection, we hereby give our consent to act as Debenture Trustee for the above assistance on the following terms :

1) Annual Service charges	Rs. 14,000/- p.a. per tranche plus applicable taxes payable in advance on 1st April each year from the date of allotment of bonds. The trusteeship remuneration is payable till the redemption of entire bonds and its satisfaction of charges in full.
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All Expenses relating to legal and other expenses including enforcement of security will be charged separately.

Overdue payment of Annual Services Charges, if any, may carry an interest at 12% (twelve percent) per annum payable from the due date till the date of actual payment.

We request you to kindly contact following officials :

Ardhendu Mukhopadhyay contact no.022 - 43025502 Cell no.8879150002 and/or Deepak Dhondye contact no.022 - 43025514 Cell no.8879150014 for any assistance in future.

We keenly look forward for our association.

Yours faithfully,

Ardhendu Mukhopadhyay
Authorised Signatory

We accept the above terms
For

Authorised Signatory

(signature with stamp)

विजय कुमार / VIJAY KUMAR

अधिकारी, सहाय्यक डिप्टी एडीजी (सिपा)

Addl. General Manager (Fin.)

राजकीय इलेक्ट्रीफिकेशन कॉर्पोरेशन लिमिटेड

Rural Electrification Corporation Ltd

(गारंटी संस्थान का उद्यम / A Govt. of India Enterprise)

कोर-4, लोडी एंटरप्रार्स / Core-4, SCOPE Complex

८ लोडी रोड, नई दिल्ली / 7, Lodhi Road, New Delhi-03

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993
(DEBENTURE TRUSTEE) REGULATIONS, 1993

000256

(विनियम ८)
(Regulation 8)

(Regulation 8A)

रजिस्ट्रीकरण प्रमाणपत्र PERMANENT REGISTRATION
CERTIFICATE OF REGISTRATION

1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पहिले उस अधिनियम की खाता-१२ की उपलब्ध (1) द्वारा प्रदत्त शर्तियों का प्रयोग करते हुए,

1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

SBICAP TRUSTEE COMPANY LIMITED
202, MAKER TOWER, "E" WING
20TH FLOOR, CUFF PARADE
MUMBAI – 400005
MAHARASHTRA

को नियमों में शर्तों के अधीन इसे द्वारा और विनियमों के अनुसार डिबेंचर न्यासी के स्वरूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कॉड
2) Registration Code for the debenture trustee is IND0000000536

3) जब तक नवीनीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र
3) Unless renewed, the certificate of registration is valid from _____ to _____
3) This Certificate of Registration shall be valid for permanent, unless suspended or cancelled
by the Board

स्थान Place : MUMBAI

तारीख Date : OCTOBER 06, 2015



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India
B. B. Sonparote
MEDHA SONPAROTE
Authorised Signatory

CARE/DRO/RL/2017-18/3378

Mr. A. K Agarwal
Director (Finance)
Rural Electrification Corporation Limited
Core 4, Scope Complex 7
Lodhi Road, New Delhi – 110003

March 19, 2018

Confidential

Dear Sir,

Credit rating for FY18 Market Borrowing Programme

Please refer to our letter CARE/DRO/RL/2017-18/2094 dated September 29, 2017 and your request for revalidation of the rating assigned to the Market Borrowing programme of Rural Electrification Corporation Limited, for a limit of Rs.55,000 crore.

2. The following ratings have been reviewed:

Instrument	Amount (Rs. crore)	Rating ¹	Remarks
Market Borrowing Programme (FY'18)	55,000.00* (Rs Fifty Five thousand Crore only)	CARE AAA; Stable/CARE A1+ [Triple A; Outlook: Stable/ A one Plus]	Reaffirmed
Total	55,000.00 [Rupees Fifty Five Thousand Crore only]		

*Including ST market borrowing programme of Rs.5,000 cr as sublimit of total MBP of Rs.55,000 cr for FY18

3. The Commercial Paper/Short Term debt Issue would be for a maturity not exceeding one year.
4. Please arrange to get the rating revalidated, in case the proposed issue is not made within six months for long term rating and two months for short term rating from the date of this letter.
5. Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs cr)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Debenture Trustee	Details of top 10 investors

6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.

(Signature) Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.
CARE Ratings Limited
 (Formerly known as Credit Analysis & Research Limited)

7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
9. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

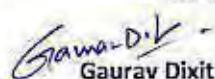


Jyoti Rautela

[Analyst]

jyoti.rautela@careratings.com

Yours faithfully,



Gaurav Dixit

[Deputy General Manager]

gaurav.dixit@careratings.com

Encl.: As above

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure-I
Rating Rationale

Rural Electrification Corporation Limited

Ratings

Facilities	Amount (Rs. crore)	Ratings ¹	Remarks
Market Borrowing Programme FY18	55,000* (Rupees Fifty Five Thousand Crore Only)	CARE AAA; Stable/CARE A1+ [Triple A; Outlook: Stable/ A One Plus]	Assigned

* Including short term market borrowing programme of Rs.5000 crore as sublimit of total MBP for FY18

Rating Rationale

The rating assigned to the market borrowing programme of Rural Electrification Corporation Ltd. (REC, CIN Number: L40101DL1969GOI005095) factors in the majority ownership by the Government of India (GoI), its status as the nodal agency of GoI for financing rural electrification programme and its strategic importance in funding the power infrastructure in India. The ratings also draw comfort from REC's comfortable capital adequacy with healthy capitalization levels, diversified resource profile and stable profitability. The ratings also factor in risks associated with REC's moderation in asset quality as reflected by slippages in FY16 (refers to the period April 01 to March 31) and high proportion of restructured accounts compared to net-worth, high exposure to weak state power utilities and high sectoral and borrower concentration risk.

Going forward, continued ownership and support by GoI by way of extension of favorable policy regime and asset quality would be the key rating sensitivities.

Background

REC was established in 1969 under the Companies Act, 1956, in pursuance of the recommendations of the All India Rural Credit Review Committee constituted by the Reserve Bank of India. It was declared a Public Financial Institution in 1992 under Sec. 4A of the Companies Act and also registered as "systemically important" Non-Banking Financial Company under Sec. 45-IA of the RBI Act in 1998. As on December 31, 2016, the GoI has a majority shareholding of 60.64% in REC.

REC plays an important role in partnering with Ministry of Power (MoP), Government of India (GoI) in their major initiatives to improve the power distribution sector in the country, by its involvement in programmes like Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) (Nodal Agency) [formerly known as Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)], Restructured Accelerated Power Development and Reforms Programme (R-APDRP),

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

National Electricity Fund (Nodal Agency), Financial Restructuring Plan (FRP), Smart Grid task force etc. The company was conferred the Navratna status in 2008-09.

The product portfolio of REC includes financial products and services like project term loan, short-term loan, equipment lease financing and consultancy services, etc, for various power projects in generation, transmission and distribution sector. REC's clients mainly include state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers. The company received from RBI the status of an Infrastructure Finance Company (NBFC-ND-IFC) in September 2010.

Credit Risk Assessment

Government ownership and support

The GoI is the major shareholder with 60.64% stake in the company (as on December 31, 2016). The government has been supporting REC by way of guaranteeing its borrowings from international agencies like Japan International Cooperation Agency (JICA) and KfW. Besides, REC is a strategically important entity for the government, as it is the nodal agency for implementing the DDUGJY scheme aimed at providing electricity to rural India. REC also acts as the nodal agency for the National Electricity Fund (NEF), an interest subsidy scheme started by the Ministry of Power to provide interest subsidy to loans disbursed to DISCOMs to improve infrastructure in the distribution sector. REC also plays a pivotal role in financing power projects from both the state and private sector, thereby being instrumental in strengthening the power infrastructure of the country.

Comfortable capital adequacy and diversified resource profile

REC had a comfortable capital adequacy ratio (CAR) of 20.38% as on March 31, 2016 (19.56% as on March 31, 2015). The CAR has improved as compared to previous year due to healthy internal capital generation during FY16 (refers to the period April 1 to March 31). As on December 31, 2016, Capital Adequacy Ratio (CAR) stood at 21.30%.

REC has a well-diversified resource profile, since it can mobilize funds at cost-effective rates from various sources such as external commercial borrowings (ECB), borrowings from international agencies like JICA and KfW, domestic financial institutions, long-term bonds, bank loans, commercial paper, capital gains tax exemption bonds, infrastructure bonds and tax free bonds. After getting the status of Infrastructure Finance Company in September 2010, REC has become eligible for issuance of infrastructure bonds and for raising funds up to US\$ 750 million through ECB in a year under automatic route. During FY16, REC has raised Rs.31,255 crore through capital gain bonds (21%), institutional and zero coupon bonds (50%), tax-free bonds (3%) and foreign currency borrowings (26%). Furthermore, the company has also raised CP of Rs.20,772 crore during the year.

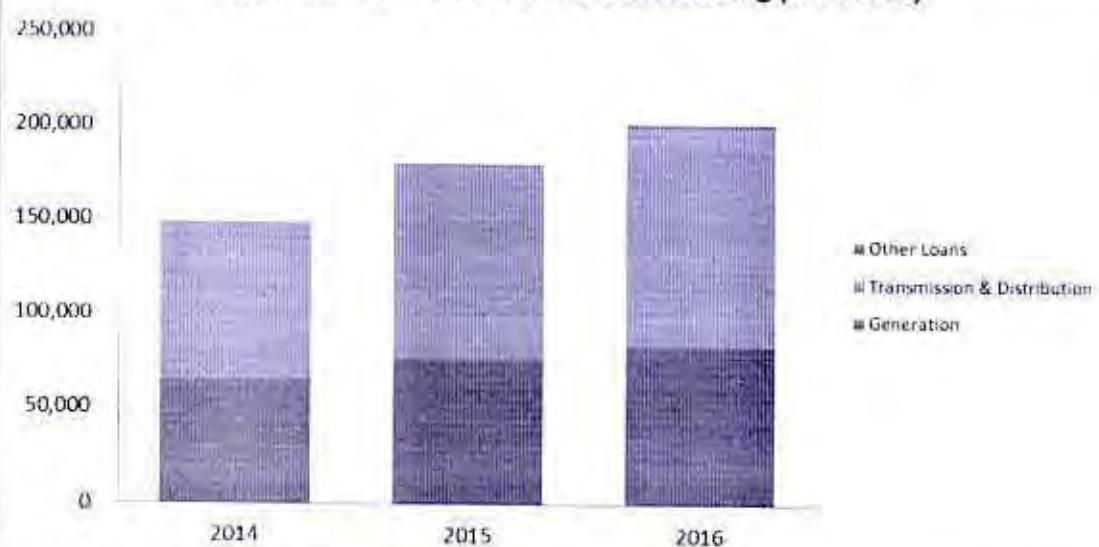
Growth in advances portfolio; however continued sectoral and borrower concentration

During FY16, REC had disbursed Rs.46,026 crore against sanctions of Rs.65,471 crore vis-à-vis disbursements of Rs.42,818 crore and sanctions of Rs.61,421 crore in FY15. The disbursement in FY16 includes transmission and distribution segment (67% of the total disbursements in FY16), generation segment (29%) and short term loans (5%). REC's gross advances portfolio grew by 12% to Rs.2,01,278 crore as on March 31, 2016 vis-à-vis Rs.1,79,647 crore as on March 31, 2015. The loans to the generation sector registered growth of 9% y-o-y to Rs.83,417 crore and accounted for 41% of the total loan portfolio as on March 31, 2016.

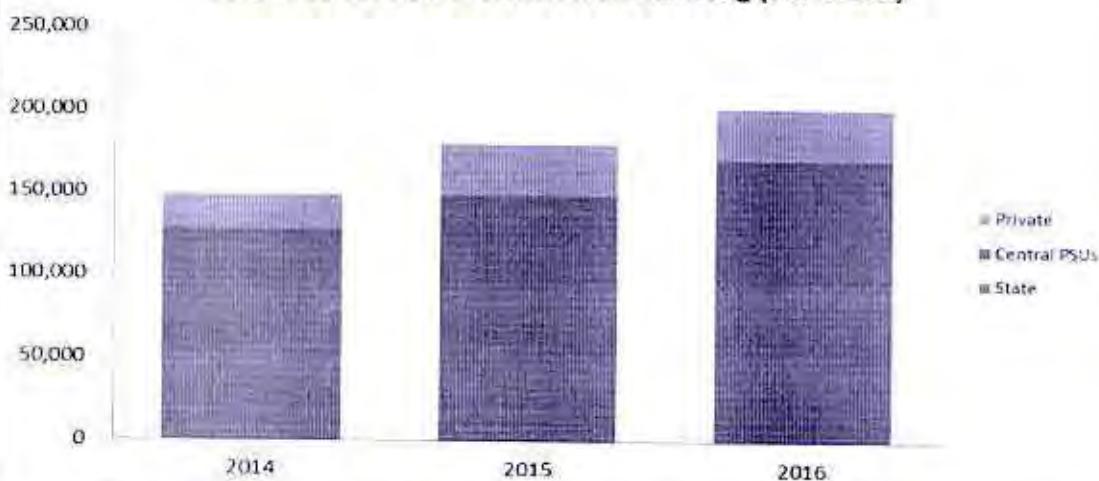


Loans to transmission & distribution sector increased by 13% y-o-y to Rs.115,939 crore and accounted for 58% of the loan portfolio as on March 31, 2016. As on December 31, 2016, loan portfolio stood at Rs.201,937 crore. Yield on the advances portfolio was stable at 12.32% in FY16 vis-à-vis 12.23% in FY15 (refers to the period April 1 to March 31).

Segmentwise Loan Portfolio Outstanding (Rs. Crore)



Sectorwise Loan Portfolio Outstanding (Rs. Crore)



REC continues to remain exposed to high sector and borrower concentration risk as it caters only to the power sector with approximately 82% of the total advances as on March 31, 2016 towards State power utilities (SPUs). Furthermore, top 10 exposures contributed 37% of the outstanding loan book and 259% of net worth as on March 31, 2016 (40% to the total outstanding loan book as on March 31, 2015).

Consistent profitability

Over the years, REC has achieved adequate profitability led by consistent growth in total income, improving interest spread and Net Interest Margins (NIM). REC registered growth of 16.5% in total income in FY16 mainly on

account of increase in loan portfolio. Furthermore, PAT has increased by 7% in FY16 over FY15. The interest spread continued to remain stable owing to better yield and availability of low cost funds. In FY16, REC has made additional provisions of Rs.821.34 crore against standard restructured loan accounts (FY15: Rs.451.77 crore). The same has led to decline in ROTA to 2.88% in FY16 as compared to 3.13% in FY15.



During 9MFY17, REC reported a net profit of Rs.4,927 crore on a total income of Rs.18,117 crore.

Moderation in asset quality and high exposure to weak state power utilities (SPU)

The asset quality of REC moderated in FY16 on account of higher slippages. Slippages of Rs.2,910.13 crore during FY16 led to increase in gross NPA to Rs.4,244 crore as on March 31, 2016 vis-à-vis Rs. 1,335 crore as on March 31, 2015. The Gross NPA % and Net NPA % as on March 31, 2016 stood at 2.11% and 1.61% vis-à-vis 0.74% and 0.54% as on March 31, 2015. Net NPA/ Net worth as on March 31, 2016 stood at 11.29% vis-à-vis 3.90% as on March 31, 2015. During 9MFY17, Gross NPA and net NPA ratios stood at 2.32% and 1.68% respectively. Furthermore, the restructured standard assets as on March 31, 2016 stood at Rs.20,237 crore. Net stressed assets (Net NPA + Net restructured standard accounts) as proportion of net worth stood at 82% as on March 31, 2016. Also, during FY16, 23 standard loan accounts amounting to Rs.22,829.88 crore ie. 11% of gross advances have been rescheduled due to delayed commissioning of the respective projects.



REC's portfolio mainly includes loans to SPUs which forms 82% of the outstanding loan portfolio as on March 31, 2016. Furthermore, exposure to private sector borrowers accounted for 15% of the total loan portfolio as on March 31, 2016. Since majority of the state power utilities have weak financial profile, it exposes REC to vulnerability in asset quality. However, REC has been able to maintain good collection efficiency from its state as well private sector entities with recovery rate of 96.61% in FY16 vis-à-vis 97.70% in FY15.

Prospects

REC has demonstrated sustained business growth in FY16 as well as 9MFY17; however, the company has also faced moderation in its asset quality along with continued weak financial health of state power utilities. Going forward, the continued support of the GoI by way of extension of favorable policy regime and the ability of the company to maintain comfortable profitability and asset quality would be the key rating sensitivity.

Financial Performance

As on / Year ended March 31	2014 (12m, A)	2015 (12m, A)	2016 (12m, A)	(Rs. Cr)
Working Results				
Interest Income from loan financing	16,806.39	20,072.08	23,470.66	
Other income	314.41	315.97	285.62	
Total Income	17,120.80	20,388.05	23,756.28	
Operating Expenses	235.38	306.68	332.65	
Total Provision / Write offs	312.02	802.96	1,069.89	
Depreciation	4.21	6.76	5.45	
Interest and other financial charges	10,038.46	11,844.61	14,283.12	
PBT	6,530.73	7,427.04	8,045.21	
PAT	4,683.70	5,259.87	5,627.66	
Financial Position				
Tangible Net worth	20,667.01	24,855.60	28,616.85	
Total Borrowings	126,240.19	151,024.12	169,106.38	
Total Loan Portfolio	148,641.10	179,646.94	201,278.29	
Total Assets	152,987.30	183,539.05	207,365.33	
Key Ratios (%)				
Solvency				
Overall Gearing (times)	6.11	6.08	5.91	
Capital Adequacy Ratio (CAR) (%)	19.35	19.56	20.38	
Tier I CAR (%)	16.02	16.52	17.48	
Interest Coverage (times)	1.65	1.63	1.56	
Profitability				
Net Interest Margin	4.84%	4.98%	4.75%	
Return on Total Assets (ROTA)	3.30%	3.13%	2.88%	
Operating expenses to Average Total Assets	0.17%	0.18%	0.17%	
Asset Quality				
Gross NPA Ratio	0.33%	0.74%	2.11%	
Net NPA Ratio	0.24%	0.54%	1.61%	
Net NPA to Net worth	1.71%	3.90%	11.29%	

Note: Ratios have been computed based on average of annual opening and closing balances

NIM has been calculated as net interest income/ average annual total assets

Details of Rated Facilities**1.A. Market Borrowing Programmes**

S. No.	Instrument/ Facility	Rated Amount (Rs. Cr)
1.	Long-term Market Borrowing Programme - FY07	314.80
2.	Long-term Market Borrowing Programme - FY08	1,568.30
3.	Long-term Market Borrowing programme - FY09	3,646.20
4.	Long-term Market Borrowing programme - FY10	5,849.40
5.	Long-term Market Borrowing programme - FY11	10,169.78
6.	Long-term Market Borrowing programme - FY12	13,094

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S. No.	Instrument/ Facility	Rated Amount (Rs. Cr)
7.	Long-term Market Borrowing programme – FY13	15,552.31
8.	Long term Market Borrowing programme – FY14	25,266.53
9.	Long-term Market Borrowing programme – FY15	30,127.78
10.	Long-term Market Borrowing Programme - FY16	23002.70
11.	Long-term Market Borrowing Programme - FY17	35,000.00
12.	Short-term Market Borrowing programme – FY17	7,000.00

Disclaimer

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Annexure-II
Rural electrification Corporation Limited

Ratings

Facilities	Amount (Rs. crore)	Rating ²	Rating Action
Market Borrowing Programme -FY18	55,000* (Rupees Fifty Five Thousand Crore Only)	CARE AAA; Stable/CARE A1+ [Triple A; Outlook: Stable/ A One Plus]	Assigned

* Including short term market borrowing programme of Rs.5000 crore as sublimit of total MBP for FY18

Details of instruments/facilities in Annexure-1

Detailed Rationale

The rating assigned to the market borrowing programme of Rural Electrification Corporation Ltd. (REC, CIN Number: L40101DL1969GOI005095) factors in the majority ownership by the Government of India (GoI), its status as the nodal agency of GoI for financing rural electrification programme and its strategic importance in funding the power infrastructure in India. The ratings also draw comfort from REC's comfortable capital adequacy with healthy capitalization levels, diversified resource profile and stable profitability. The ratings also factor in risks associated with REC's moderation in asset quality as reflected by slippages in FY16 (refers to the period April 01 to March 31) and high proportion of restructured accounts compared to net-worth, high exposure to weak state power utilities and high sectoral and borrower concentration risk.

Going forward, continued ownership and support by GoI by way of extension of favorable policy regime and asset quality would be the key rating sensitivities.

Detailed description of the key rating drivers

Government ownership and status of nodal agency: REC plays a pivotal role in financing power projects from both the state and private sector, thereby being instrumental in strengthening the power infrastructure of the country. REC is a strategically important entity for the government, as it is the nodal agency for implementing the DDUGJY scheme and National Electricity Fund (NEF). The GoI is the major shareholder with 60.64% stake in the company (as on December 31, 2016).

Adequate profitability: Over the years, REC has achieved adequate profitability led by consistent growth in total income, improving interest spread and Net Interest Margins (NIM). REC registered growth of 16.5% in total income in FY16 mainly on account of increase in loan portfolio. The interest spread continued to remain stable owing to better yield and availability

¹ Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

of low cost funds. In FY16, REC has made additional provisions of Rs.821.34 crore against standard restructured loan accounts, the same has led to decline in ROTA to 2.88% in FY16 as compared to 3.13% in FY15.

Diversified resource profile and comfortable capital adequacy: REC has a well-diversified resource profile, since it can mobilize funds at cost-effective rates from various sources. During FY16, REC has raised Rs.31,255 crore through capital gain bonds (21%), institutional and zero coupon bonds (50%), tax-free bonds (3%) and foreign currency borrowings (26%). Furthermore, the company has also raised CP of Rs.20,772 crore during the year.

REC had a comfortable capital adequacy ratio (CAR) of 21.30% as on December 31, 2016.

Growth in loan portfolio with moderation in asset quality: The loan portfolio of REC had registered a growth of 12% in FY16 (refers to the period April 01 to March 31). As on December 31, 2016, loan portfolio stood at Rs.201,937 crore. The asset quality of REC moderated in FY16 on account of higher slippages. The Gross NPA % and Net NPA % as on March 31, 2016 stood at 2.11% and 1.61%. During 9MFY17, Gross NPA and net NPA ratios increased to 2.32% and 1.68% respectively.

REC continues to remain exposed to high sector and borrower concentration risk as it caters only to the power sector with approximately 82% of the total advances as on March 31, 2016 towards State power utilities (SPUs). Furthermore, top 10 exposures contributed 37% of the outstanding loan book and 259% of net worth as on March 31, 2016.

Analytical approach: Standalone

Applicable Criteria

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[CARE's methodology for Short-term Instruments](#)

[Rating Methodology for Non-Banking Financial Companies](#)

[Financial Ratios \(Financial Sector\)](#)

About the Company

REC was established in 1969 under the Companies Act, 1956, in pursuance of the recommendations of the All India Rural Credit Review Committee constituted by the Reserve Bank of India. It was declared a Public Financial Institution in 1992 under Sec. 4A of the Companies Act and also registered as "systemically important" Non-Banking Financial Company under Sec. 45- IA of the RBI Act in 1998. As on December 31, 2016, the GoI has a majority shareholding of 60.64% in REC.

REC plays an important role in partnering with Ministry of Power (MoP), GoI in their major initiatives to improve the power distribution sector in the country, by its involvement in programmes like Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) (Nodal Agency) [formerly known as Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY)], Restructured Accelerated Power Development and Reforms Programme (R-APDRP), National Electricity Fund (Nodal Agency), Financial Restructuring Plan (FRP), Smart Grid task force etc. The company was conferred the Navratna status in 2008-09.

The product portfolio of REC includes financial products and services like project term loan, short-term loan, equipment lease financing and consultancy services, etc, for various power projects in generation, transmission and distribution sector. REC's clients mainly include state power utilities, private power sector utilities (including independent power producers), joint sector power utilities and power equipment manufacturers. The company received from RBI the status of an Infrastructure Finance Company (NBFC-ND-IFC) in September 2010.

During FY16 (refers to the period April 01 to March 31), REC reported a net profit of Rs.5,628 crore on a total income of Rs.23,756 crore as compared to net profit of Rs.5,260 crore on a total income of Rs.20,388 crore during FY15. Capital Adequacy Ratio (CAR) as on March 31, 2016 stood at 20.38%.

During 9MFY17 (refers to the period April 01 to December 31), REC reported a net profit of Rs.4,927 crore on a total income of Rs.18,117 crore. Capital Adequacy Ratio (CAR) as on December 31, 2016 stood at 21.30%.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

Analyst Contact:

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the

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Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Borrowings-Market Borrowing Programme	-	-	-	55000.00	CARE AAA; Stable / CARE A1+

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Borrowings-Unsecured Long Term	LT	1568.30	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
2.	Borrowings-Secured Long Term Borrowings	LT	3646.20	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
3.	Borrowings-Secured Long Term Borrowings	LT	5849.40	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
4.	Borrowings-Secured Long Term Borrowings	LT	10169.78	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
5.	Borrowings-Secured Long Term Borrowings	LT			-	1)Withdrawn (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
6.	Borrowings-Unsecured Long Term	LT			-	1)Withdrawn (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
7.	Borrowings-Unsecured Long Term	LT	314.80	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)

CREDIT ANALYSIS & RESEARCH LTD.

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			Date(s) & Rating(s) assigned in 2014-2015
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	
8.	Borrowings-Market Borrowing Programme	LT	13094.00	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
9.	Borrowings-Market Borrowing Programme	LT	15552.31	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA (06-Nov-14)
10.	Borrowings-Market Borrowing Programme	LT	25266.53	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA (30-Oct-15)	1)CARE AAA / CARE A1+ (06-Nov-14)
11.	Borrowings-Market Borrowing Programme	LT	30127.78	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16)	1)CARE AAA / CARE A1+ (30-Oct-15)	1)CARE AAA / CARE A1+ (27-Feb-15) 2)CARE AAA / CARE A1+ (06-Nov-14) 3)CARE AAA / CARE A1+ (01-Aug-14) 4)CARE AAA / CARE A1+ (14-May-14)
12.	Borrowings-Market Borrowing Programme	LT	23002.70	CARE AAA; Stable	-	1)CARE AAA; Stable (21-Dec-16) 2)CARE AAA (14-Oct-16) 3)CARE AAA (16-Apr-15)	1)CARE AAA (12-Feb-16) 2)CARE AAA (30-Oct-15)	-
13.	Short Term Instruments- Short Term Borrowing	ST	-	-	-	1)Withdrawn (14-Oct-16)	1)CARE A1+ (12-Feb-16) 2)CARE A1+ (30-Oct-15) 3)CARE A1+ (16-Apr-15)	-
14.	Commercial Paper- CP/STD	ST	-	-	-	-	1)Withdrawn (30-Oct-15)	-
15.	Borrowings-Market Borrowing Programme	LT	35000.00	CARE AAA; Stable	-	1)CARE AAA; Stable (09-Feb-17)	-	-

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Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			Date(s) & Rating(s) assigned in 2014-2015
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	
						2)CARE AAA; Stable (31-Jan-17) 3)CARE AAA; Stable (21-Dec-16) 4)CARE AAA (14-Oct-16) 5)CARE AAA (12-May-16)		
16.	Short Term Instruments- Short Term Borrowing	ST	7000.00	CARE A1+	-	1)CARE A1+ (09-Feb-17) 2)CARE A1+ (31-Jan-17) 3)CARE A1+ (21-Dec-16) 4)CARE A1+ (14-Oct-16) 5)CARE A1+ (12-May-16)		
17.	Borrowings-Market Borrowing Programme	LT/ST	55000.00	CARE AAA; Stable / CARE A1+	-	-	-	-

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ICRA

ICRA Limited

D/RAT/2017-2018/R7/S

March 19, 2018

Mr. Sanjay Kumar
 AGM-Finance
 Rural Electrification Corporation Limited
 Care-1 A, SCOPE Complex
 7, Lajpati Road
 New Delhi - 110003

Dear Sir,

Re: ICRA Credit Rating of the Rs. 50,000 crore Long Term Borrowing Programme (outstanding Rs. 33,085, yet to be place Rs. 16,915 crore) of Rural Electrification Corporation Limited for the Financial Year 2017-18

This is with reference to your request dated March 19, 2018 for re-validating your rating for the Long Term Borrowing Programme of Rs. 50,000 crore.

We hereby confirm that the rating of [ICRA]AAA (pronounced ICRA triple A) assigned to the captioned Long Term Borrowing Programme of your company and last communicated to you via our letter dated February 19, 2018 stands. Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk. The outlook on the long term rating is Stable.

The proposed issue of NCD of upto Rs. 4,000 crore (not fully serviced bonds) is included in the aforesaid rated long term borrowing programme of Rural Electrification Corporation Limited.

This rating is specific to the terms and conditions of the proposed issue as was indicated to us by you and any change in the terms or size of the issue would require the rating to be reviewed by us. The rating is restricted to your Long Term Borrowing programme size of Rs. 50,000 crore only. Further the total utilisation of the captioned rated Long Term borrowings programme (including Bonds, Long Term Bank Borrowings and Bank guarantees) and Short Term borrowing (including Commercial Paper & Short term bank borrowings) programme should not exceed Rs. 55,000 crore for financial year 2017-18. If there is any change in the terms and conditions or size of the instrument rated, as above, the same must be brought to our notice before the issue of the instrument. If there is any such change after the rating is assigned by us and accepted by you, it would be subject to our review and may result in change in the rating assigned. More specifically, the rating assumes that there will be no acceleration clause under the proposed borrowing programme.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref No: D/RAT/2016-2017-R7/15 dated March 31, 2017.

With kind regards,
 For ICRA Limited

Vivek Mathur
 Executive Vice President
 vivek.mathur@icraindia.com

Rohit Gupta
 Analyst
 rohit.gupta@icraindia.com

April 04, 2017

Rural Electrification Corporation Limited

Instruments**	Amount rated	Rating	Rating Action
Long term borrowing programme FY2018	Rs. 50,000 crore*	[ICRA]AAA(Stable)	Assigned
Short term borrowing programme FY2018	Rs. 5,000 crore*	[ICRA]A1+	Assigned
Overall borrowing programme FY2018	Rs. 55,000 crore*		

**Short- term borrowings are interchangeable with long-term borrowings, subject to the total borrowings in FY2018 not exceeding Rs. 55,000 crore*

***Outstanding instrument details are provided in Annexure-I*

Rating Action

ICRA has assigned the rating of [ICRA]AAA (pronounced ICRA triple A) to the Rs. 50,000 crore long term borrowing programme and [ICRA]A1+ (pronounced ICRA A one plus) to the Rs. 5,000 crore short term borrowing programme of Rural Electrification Corporation Limited (REC)[†] for FY2018. The overall borrowing programme for FY2018 for REC stands at Rs. 55,000 crore. ICRA also has rating outstanding of [ICRA]AAA for the various long-term bond and bank borrowing programmes and of [ICRA]A1+ for the commercial paper/short-term debt programmes of the corporation aggregating Rs. 2,47,930 crore. The outlook on the long-term ratings is Stable.

Rationale

The assigned ratings derive significant strength from REC's sovereign ownership (59.36% of equity held by the Government of India (GoI) as on January 31, 2017) and the corporation's important role as a nodal agency for the GoI's rural electrification schemes under the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and also as a sole nodal agency for operationalisation of the NEF¹ scheme. Further, REC, as one of the major power sector financiers, remains strategically important for the GoI, for augmenting power capacities across the country. The ratings also continue to draw comfort from REC's adequate earning profile (annualised net profit/ average total assets of ~2.9% for FY2016 and 3.2% for 9MFY2017) supported by its strong financial flexibility and low operating costs (0.18% for FY2016). REC also has access to funds through low-cost capital gains bonds under Section 54EC of Income Tax Act, 1961 (accounting for around 11% of total borrowings as on December 31, 2016).

These strengths are partly offset by the corporation's exposure to a single sector (i.e. power sector), high concentration of its exposure towards financially weak state power utilities and the vulnerability of its exposure to private sector borrowers as reflected in the asset quality indicators with gross NPA% of 2.32% and standard restructured advances of 9.7% as on December 31, 2016.

The entity's ability to grow its loan book while maintaining adequate profitability and controlling credit costs would be the key rating sensitivity going forward. Also any significant dilution in GoI's stake or in REC's strategic role would be key rating sensitivities.

[†] For complete rating scale and definitions, please refer ICRA's website (www.icra.in) or other ICRA rating publications.

¹ National Electricity Fund – an interest subsidy scheme introduced by the GoI to promote the capital investment in the distribution sector.

Key Rating Drivers

Credit Strengths

- Majority (59.36% January 31, 2017) sovereign ownership and strategic importance to the GoI for implementation of high priority rural electrification programmes
- Preferred financier status as the nodal agency for implementing the GoI's rural electrification schemes such as the DDUGJY; also the sole nodal agency for operationalisation of the NEF scheme
- Access to funds through low-cost capital gains bonds under Section 54EC of Income Tax Act, 1961
- Comfortable liquidity position with access to long term funds from diverse sources
- Moderate capitalisation indicators, with gearing of 5.0 times and CRAR of ~21% as on December 31, 2016
- Adequate earnings profile (net profit/ average total assets of ~2.9% for FY2016) supported by its strong financial flexibility and low operating costs

Credit Weakness

- Weak financial health of state power distribution utilities (discoms), exposes REC's generation segment customers to substantial counter party risks; however effective implementation of Ujwal Discom Assurance Yojana (UDAY) could help discoms improve their financial and liquidity position.
- Incremental investments by developers in the power sector and hence business growth for REC would depend upon resolution of sectoral concerns
- Ability to maintain collections from the IPP segment (~16% of book as on December 31, 2016), which is affected by industry level concerns with respect to fuel availability, disputed/competitive power sale tariffs, lack of PPAs, environmental clearances and land acquisition issues
- Exposed to high concentration risk (both industry and borrower level); aggravated by the exemption from RBI concentration norms for lending/investment in state/central government entities
- Exposed to foreign exchange risks, with unhedged foreign currency borrowings accounting for ~12% of net worth as on December 31, 2016

Description of key rating drivers highlighted above:

The ratings derive significant strength from REC's sovereign ownership and its important role as a nodal agency for the GoI's various rural electrification schemes. The ratings continue to draw comfort from REC's adequate earning profile supported by its strong financial flexibility and low operating costs. REC also has access to funds through low-cost capital gains bonds under Section 54EC of Income Tax Act, 1961. These strengths are partly offset by the corporation's exposure to a single sector (i.e. power sector), high concentration of its exposure towards financially weak state power utilities and the vulnerability of its exposure to private sector borrowers.

As on December 31, 2016, REC had a total loan book of Rs.2,01,937 crore (Rs. 2,01,278 crore as on March 31, 2016). Its exposure to state power utilities accounted for 76% of its total advances, followed by exposures to IPPs at 16%, while its exposures to central and joint sector entities stood at 8% as on December 31, 2016. REC's loan book reported a negligible growth of during 9MFY2017 on account of prepayments under Ujwal Discom Assurance Yojana (UDAY) scheme of Rs. 30,307 crore (Rs. 8856 crore during Q4FY2016 and Rs. 21,451 crore during 9MFY2017). ICRA also takes note of REC's increased focus on state transmission and generation projects and renewable energy projects which are expected to be its key growth drivers, going forward.

REC reported a return on average assets of 2.9% and return on average networth of ~21% in FY2016 (3.1% and 23% respectively in FY2015). REC's overall profitability profile is comfortable, supported by access to funds at lower cost (cost of funds of ~8.3% in FY2016) and lower operating expenses (~0.18% during FY2016). However, as per ICRA estimates, UDAY prepayments, rising non-performing assets (gross NPAs increased from 1.71% as on December 31, 2015 to 2.32% as on December 31, 2016), migration from 180+ DPD NPA recognition norms to 90+ DPD, increase in provisioning requirements on standard restructured assets (~9.7% as on December 31, 2016) coupled with high vulnerability in the IPP loan book could impact REC profitability adversely during the short to medium term. Going forward, the entity's ability to grow its loan book while maintaining adequate profitability and controlling credit costs would be critical.

ICRA believes that the timely implementation of the UDAY scheme (financial and operational parameters) remains critical for ensuring the credit quality of not only the discoms but also the generation companies given their dependence on the former for cashflows. The health of the discoms would also be dependent upon adequate and timely tariff revision by SERCs including periodic pass-through of fuel cost fluctuations and timely and adequate release of subsidies by state governments.

As on December 31, 2016, REC's exposure to IPPs stood at 16% of its total advances. Several of the IPP exposures are highly vulnerable, being impacted by the sectoral concerns of fuel availability, disputed/competitive power sale tariffs, absence of power purchase agreements leading to high offtake risk and environmental and land acquisition issues. ICRA notes that all of REC's reported gross NPAs (180+ DPD) of 2.32% as on December 31, 2016 were from the IPP segment. Around 31% of REC's IPP exposures as on December 31, 2016 were classified as restructured, mainly on account of a shift in project commercial date of operations. ICRA favourably notes the improvement in availability of coal and also the possible reduction in counter party risks for IPPs with the implementation of the UDAY scheme. Going forward, it would be important for the entity to maintain a strict control over collections from the IPP segment.

As on December 31, 2016, REC's gearing was moderate at 5.0 times, and going forward, its ability to maintain leverage at a prudent level would be an important rating consideration. REC has a comfortable asset-liability matching profile with low cumulative mismatches. REC's strong financial flexibility, availability of unutilised bank lines and the expected inflows through the redemption of discom exposures under the UDAY Scheme are expected to keep its short term liquidity comfortable.

Analytical approach:

The current rating for REC is largely based on its strong operational and managerial linkages with the GoI. GoI held 59.36% stake in REC as on December 31, 2016.

Links to applicable Criteria

<http://www.icra.in/Files/Articles/Rating%20Methodology%20NBFC%20April%202016.pdf>

About the Corporation:

Rural Electrification Corporation Limited (REC), a listed 'Navratna' Public Sector Enterprise under Ministry of Power, Government of India, was incorporated on July 25, 1969 under the Companies Act 1956. REC is a Non-Banking Financial Company with Infrastructure Finance Company status. The GoI has a majority shareholding of 59.36% in REC, while the balance is held by the public.

REC's main objective is to finance and promote power sector projects across the country. While the initial mandate of REC was to finance village electrification, pump-set energising and transmission and distribution projects, the mandate was extended in FY2003 to cover power generation projects larger than 25 MW and IPPs. REC provides loans to various state power utilities, private sector project developers, central power sector utilities and state governments for investments in power generation, transmission, distribution and other system improvement schemes/initiatives. REC's corporate office is located at New Delhi, and it has 18 project offices and 3 sub-offices, located in most states in the country.

Results

REC reported a profit after tax (PAT) of Rs. 5,628 crore on an asset base of Rs. 2,06,353 crore for FY2016 as compared with a PAT of Rs. 5,260 crore on an asset base of Rs. 1,83,175 crore during FY2015.

During 9MFY2017, REC reported a PAT of Rs. 4,927 crore against a profit of Rs. 4,468 crore during 9MFY2016. As on December 31, 2016, REC has a loan book of Rs. 2,01,937 crore and net worth of Rs. 33,553 crore, while its gross and net NPAs stood at 2.32% and 1.68% respectively.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Annexure-1
Details of outstanding rating instruments

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B07GG9	Tax Free Bonds 2011-12	27-03-2012	7.93%/ 8.13%	27-03-2022	839.67	"[ICRA]AAA"
INE020B07GH7	Tax Free Bonds 2011-12	27-03-2012	8.12%/8.32%	27-03-2027	2,160.33	"[ICRA]AAA"
INE020B07GU0	Tax Free Bonds 2012-13	21-11-2012	7.21%	21-11-2022	255.00	"[ICRA]AAA"
INE020B07GV8	Tax Free Bonds 2012-13	21-11-2012	7.38%	21-11-2027	245.00	"[ICRA]AAA"
INE020B07GW6	Tax Free Bonds 2012-13	19-12-2012	7.22%/7.72%	19-12-2022	1,165.31	"[ICRA]AAA"
INE020B07GX4	Tax Free Bonds 2012-13	19-12-2012	7.38%/7.88%	19-12-2027	852.04	"[ICRA]AAA"
INE020B07GY2	Tax Free Bonds 2012-13	25-03-2013	6.88%/7.38%	25-03-2023	81.35	"[ICRA]AAA"
INE020B07GZ9	Tax Free Bonds 2012-13	25-03-2013	7.04%/7.54%	25-03-2028	49.71	"[ICRA]AAA"
INE020B07HM5	Tax Free Bonds 2013-14	29-08-2013	8.01%	29-08-2023	209.00	"[ICRA]AAA"
INE020B07HN3	Tax Free Bonds 2013-14	29-08-2013	8.46%	29-08-2028	1,141.00	"[ICRA]AAA"
INE020B07HO1	Tax Free Bonds 2013-14	24-09-2013	8.01%	24-09-2023	575.06	"[ICRA]AAA"
INE020B07HR4	Tax Free Bonds 2013-14	24-09-2013	8.26%	24-09-2023		"[ICRA]AAA"
INE020B07HP8	Tax Free Bonds 2013-14	24-09-2013	8.46%	24-09-2028	2,810.26	"[ICRA]AAA"
INE020B07HS2	Tax Free Bonds 2013-14	24-09-2013	8.71%	24-09-2028		"[ICRA]AAA"
INE020B07HQ6	Tax Free Bonds 2013-14	24-09-2013	8.37%	24-09-2033	55.29	"[ICRA]AAA"
INE020B07HT0	Tax Free Bonds 2013-14	24-09-2013	8.62%	24-09-2033		"[ICRA]AAA"
INE020B07HU8	Tax Free Bonds 2013-14	10/11/2013	8.18%	10/11/2023	105.00	"[ICRA]AAA"
INE020B07HV6	Tax Free Bonds 2013-14	10/11/2013	8.54%	10/11/2028	45.00	"[ICRA]AAA"
INE020B07IC4	Tax Free Bonds 2013-14	24-03-2014	8.19%	24-03-2024	419.32	"[ICRA]AAA"
INE020B07IF7	Tax Free Bonds 2013-14	24-03-2014	8.44%	24-03-2024		"[ICRA]AAA"

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B07ID2	Tax Free Bonds 2013-14	24-03-2014	8.63%	24-03-2029	530.42	"[ICRA]AAA"
INE020B07IG5	Tax Free Bonds 2013-14	24-03-2014	8.88%	24-03-2029		"[ICRA]AAA"
INE020B07IE0	Tax Free Bonds 2013-14	24-03-2014	8.61%	24-03-2034	109.65	"[ICRA]AAA"
INE020B07IH3	Tax Free Bonds 2013-14	24-03-2014	8.86%	24-03-2034		"[ICRA]AAA"
INE020B07J07	Tax Free Bonds 2015-16	23-07-2015	7.17%	23-07-2025	300.00	"[ICRA]AAA"
INE020B07JP4	Tax Free Bonds 2015-16	11/5/2015	6.89%	05/11/2025	105.93	"[ICRA]AAA"
INE020B07JQ2	Tax Free Bonds 2015-16	11/5/2015	7.14%	05/11/2025		"[ICRA]AAA"
INE020B07JR0	Tax Free Bonds 2015-16	11/5/2015	7.09%	11/5/2030	172.90	"[ICRA]AAA"
INE020B07JS8	Tax Free Bonds 2015-16	11/5/2015	7.34%	11/5/2030		"[ICRA]AAA"
INE020B07JT6	Tax Free Bonds 2015-16	11/5/2015	7.18%	11/5/2035	421.17	"[ICRA]AAA"
INE020B07JU4	Tax Free Bonds 2015-16	11/5/2015	7.43%	11/5/2035		"[ICRA]AAA"
Institutional Bonds						
INE020B07CU9	82	28-Sep-07	9.85%	28-Sep-17	883.10	"[ICRA]AAA"
INE020B07DE1	83	28-Feb-08	9.07%	28-Feb-18	685.20	"[ICRA]AAA"
INE020B07DG6	85	13-Jun-08	9.68%	13-Jun-18	500.00	"[ICRA]AAA"
INE020B07DT9	86-A	29-Jul-08	10.70%	29-Jul-18	500.00	"[ICRA]AAA"
INE020B07DW3	86-B III	14-Aug-08	10.85%	14-Aug-18	432.00	"[ICRA]AAA"
INE020B07DY9	87 - II	30-Sep-08	10.85%	30-Sep-18	657.40	"[ICRA]AAA"
INE020B07EB5	87A - III	24-Oct-08	11.15%	24-Oct-18	61.80	"[ICRA]AAA"
INE020B07EG4	88	15-Jan-09	8.65%	15-Jan-19	1495.00	"[ICRA]AAA"
INE020B07EP5	90	3-Aug-09	8.80%	3-Aug-19	2000.00	"[ICRA]AAA"
INE020B07ER1	90B-II	4-Sep-09	8.72%	4-Sep-19	868.20	"[ICRA]AAA"
INE020B07EV3	90C-II	6-Oct-09	8.80%	6-Oct-19	1040.00	"[ICRA]AAA"
INE020B07EY7	91-II	17-Nov-09	8.80%	17-Nov-19	995.90	"[ICRA]AAA"
INE020B07FC0	92-II	22-Jan-10	8.65%	22-Jan-20	945.30	"[ICRA]AAA"
INE020B08427	94	8-Jun-10	8.75%	8-Jun-25	1250.00	"[ICRA]AAA"
INE020B08435	95-I	12-Jul-10	8.70%	12-Jul-19	200.00	"[ICRA]AAA"
INE020B08443	95-II	12-Jul-10	8.75%	12-Jul-25	1800.00	"[ICRA]AAA"
INE020B08450	96	25-Oct-10	8.80%	25-Oct-20	1150.00	"[ICRA]AAA"

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B08468	97	29-Nov-10	8.80%	29-Nov-20	2120.50	"[ICRA]AAA"
INE020B08476	0 CPN-I	15-Dec-10	0.00%	15-Dec-20	533.21	"[ICRA]AAA"
INE020B08484	0 CPN-II	3-Feb-11	0.00%	3-Feb-21	116.07	"[ICRA]AAA"
INE020B08492	98	15-Mar-11	9.18%	15-Mar-21	3000.00	"[ICRA]AAA"
INE020B08567	100	15-Jul-11	9.63%	15-Jul-21	1500.00	"[ICRA]AAA"
INE020B08591	101-III	10-Aug-11	9.48%	10-Aug-21	3171.80	"[ICRA]AAA"
INE020B08641	105	11-Nov-11	9.75%	11-Nov-21	3922.20	"[ICRA]AAA"
INE020B08740	107	15-Jun-12	9.35%	15-Jun-22	2378.20	"[ICRA]AAA"
INE020B08757	108-I	20-Jul-12	9.40%	20-Jul-17	2125.00	"[ICRA]AAA"
INE020B08765	108-II	20-Jul-12	9.39%	20-Jul-19	960.00	"[ICRA]AAA"
INE020B08773	109	27-Aug-12	9.25%	27-Aug-17	1734.70	"[ICRA]AAA"
INE020B08799	111-I	19-Nov-12	9.02%	19-Nov-19	452.80	"[ICRA]AAA"
INE020B08807	111-II	19-Nov-12	9.02%	19-Nov-22	2211.20	"[ICRA]AAA"
INE020B08815	112	1-Feb-13	8.70%	1-Feb-18	1500.00	"[ICRA]AAA"
INE020B08823	113	8-Mar-13	8.87%	8-Mar-20	1542.00	"[ICRA]AAA"
INE020B08831	114	12-Apr-13	8.82%	12-Apr-23	4300.00	"[ICRA]AAA"
INE020B08849	115	31-May-13	8.06%	31-May-23	2500.00	"[ICRA]AAA"
INE020B07HX2	116-II	17-Oct-13	9.24%	17-Oct-18	850.00	"[ICRA]AAA"
INE020B07HY0	117	6-Nov-13	9.38%	6-Nov-18	2878.00	"[ICRA]AAA"
INE020B07HZ7	118	3-Jan-14	9.61%	3-Jan-19	1655.00	"[ICRA]AAA"
INE020B07IA8	119	5-Feb-14	9.63%	5-Feb-19	2090.00	"[ICRA]AAA"
INE020B07IV4	122	18-Jun-14	9.02%	18-Jun-19	1700.00	"[ICRA]AAA"
INE020B07IW2	123-I	17-Jul-14	9.40%	17-Jul-21	1515.00	"[ICRA]AAA"
INE020B07IY8	123-III-3yrs	25-Aug-14	9.25%	25-Aug-17	1275.00	"[ICRA]AAA"
INE020B07IZ5	123-III-10yrs	25-Aug-14	9.34%	24-Aug-24	1955.00	"[ICRA]AAA"
INE020B07JB4	124	24-Sep-14	9.06%	23-Sep-17	2610.00	"[ICRA]AAA"
INE020B08856	125	13-Oct-14	9.04%	12-Oct-19	3000.00	"[ICRA]AAA"
INE020B08864	126	13-Nov-14	8.56%	12-Nov-19	1700.00	"[ICRA]AAA"
INE020B08872	127	4-Dec-14	8.44%	4-Dec-21	1550.00	"[ICRA]AAA"
INE020B08880	128	22-Dec-14	8.57%	21-Dec-24	2250.00	"[ICRA]AAA"
INE020B08898	129	23-Jan-15	8.23%	23-Jan-25	1925.00	"[ICRA]AAA"
INE020B08906	130	6-Feb-15	8.27%	6-Feb-25	2325.00	"[ICRA]AAA"
INE020B08914	131	23-Feb-15	8.35%	22-Feb-25	2285.00	"[ICRA]AAA"
INE020B08930	133	10-Apr-15	8.30%	10-Apr-25	2396.00	"[ICRA]AAA"
INE020B08948	134	14-Aug-15	8.37%	14-Aug-20	2675.00	"[ICRA]AAA"

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B08955	135	22-Sep-15	8.36%	22-Sep-20	2750.00	"[ICRA]AAA"
INE020B08963	136	7-Oct-15	8.11%	7-Oct-25	2585.00	"[ICRA]AAA"
INE020B08971	137	8-Dec-15	8.05%	7-Dec-18	2225.00	"[ICRA]AAA"
INE020B08997	139	21-Oct-16	7.24%	21-Oct-21	2500.00	"[ICRA]AAA"
INE020B08AA3	140	7-Nov-16	7.52%	7-Nov-26	2100.00	"[ICRA]AAA"
INE020B08AB1	141	9-Dec-16	7.14%	9-Dec-21	1020.00	"[ICRA]AAA"
INE020B08AC9	142	30-Dec-16	7.54%	30-Dec-26	3000.00	"[ICRA]AAA"
INE020B08AD7	143	31-Jan-17	6.83%	29-Jun-20	1275.00	"[ICRA]AAA"
INE020B08AE5	144	20-Feb-17	7.13%	21-Sep-20	835.00	"[ICRA]AAA"
INE020B08AF2	145	28-Feb-17	7.46%	28-Feb-22	625.00	"[ICRA]AAA"
INE020B08AG0	146	03-Mar-17	6.88%	03-Sep-18	3300.00	"[ICRA]AAA"
INE020B08AH8	147	14-Mar-17	7.95%	12-Mar-26	2745.00	"[ICRA]AAA"
INE020B08AI6	148	17-Mar-17	7.42%	17-Jun-20	1200.00	"[ICRA]AAA"
Capital Gain Bonds						
INE020B07HL7	54EC Capital Gain Tax Exemption Bonds Series IX	31-Mar-14	6.00%	31-Mar-17	1,074.29	"[ICRA]AAA"
INE020B07IJ9	54EC Capital Gain Tax Exemption Bonds Series IX	30-Apr-14	6.00%	30-Apr-17	402.64	"[ICRA]AAA"
INE020B07IK7	54EC Capital Gain Tax Exemption Bonds Series IX	31-May-14	6.00%	31-May-17	365.98	"[ICRA]AAA"
INE020B07IL5	54EC Capital Gain Tax Exemption Bonds Series IX	30-Jun-14	6.00%	30-Jun-17	326.16	"[ICRA]AAA"
INE020B07IM3	54EC Capital Gain Tax Exemption Bonds Series IX	31-Jul-14	6.00%	31-Jul-17	466.05	"[ICRA]AAA"
INE020B07IN1	54EC Capital Gain Tax Exemption Bonds Series IX	31-Aug-14	6.00%	31-Aug-17	347.95	"[ICRA]AAA"
INE020B07IO9	54EC Capital Gain Tax Exemption Bonds Series IX	30-Sep-14	6.00%	30-Sep-17	412.16	"[ICRA]AAA"
INE020B07IP6	54EC Capital Gain Tax Exemption Bonds Series IX	31-Oct-14	6.00%	31-Oct-17	350.71	"[ICRA]AAA"
INE020B07IQ4	54EC Capital Gain Tax Exemption Bonds Series IX	30-Nov-14	6.00%	30-Nov-17	422.64	"[ICRA]AAA"

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B07IR2	54EC Capital Gain Tax Exemption Bonds Series IX	31-Dec-14	6.00%	31-Dec-17	455.68	"[ICRA]AAA"
INE020B07IS0	54EC Capital Gain Tax Exemption Bonds Series IX	31-Jan-15	6.00%	31-Jan-18	414.24	"[ICRA]AAA"
INE020B07IT8	54EC Capital Gain Tax Exemption Bonds Series IX	28-Feb-15	6.00%	28-Feb-18	437.51	"[ICRA]AAA"
INE020B07IU6	54EC Capital Gain Tax Exemption Bonds Series IX	31-Mar-15	6.00%	31-Mar-18	936.06	"[ICRA]AAA"
INE020B07JC2	54EC Capital Gain Tax Exemption Bonds Series X	30-Apr-15	6.00%	30-Apr-18	312.36	"[ICRA]AAA"
INE020B07JD0	54EC Capital Gain Tax Exemption Bonds Series X	31-May-15	6.00%	31-May-18	427.89	"[ICRA]AAA"
INE020B07JE8	54EC Capital Gain Tax Exemption Bonds Series X	30-Jun-15	6.00%	30-Jun-18	440.89	"[ICRA]AAA"
INE020B07JF5	54EC Capital Gain Tax Exemption Bonds Series X	31-Jul-15	6.00%	31-Jul-18	479.10	"[ICRA]AAA"
INE020B07JG3	54EC Capital Gain Tax Exemption Bonds Series X	31-Aug-15	6.00%	31-Aug-18	493.19	"[ICRA]AAA"
INE020B07JH1	54EC Capital Gain Tax Exemption Bonds Series X	30-Sep-15	6.00%	30-Sep-18	497.25	"[ICRA]AAA"
INE020B07JI9	54EC Capital Gain Tax Exemption Bonds Series X	31-Oct-15	6.00%	31-Oct-18	541.24	"[ICRA]AAA"
INE020B07JJ7	54EC Capital Gain Tax Exemption Bonds Series X	30-Nov-15	6.00%	30-Nov-18	449.92	"[ICRA]AAA"
INE020B07JK5	54EC Capital Gain Tax Exemption Bonds Series X	31-Dec-15	6.00%	31-Dec-18	585.20	"[ICRA]AAA"
INE020B07JL3	54EC Capital Gain Tax Exemption Bonds Series X	31-Jan-16	6.00%	31-Jan-19	515.57	"[ICRA]AAA"
INE020B07JM1	54EC Capital Gain Tax Exemption Bonds Series X	29-Feb-16	6.00%	28-Feb-19	571.21	"[ICRA]AAA"

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B07JN9	54EC Capital Gain Tax Exemption Bonds Series X	31-Mar-16	6.00%	31-Mar-19	1,162.88	"[ICRA]AAA"
INE020B07JV2	54EC Capital Gain Tax Exemption Bonds Series X	30-Apr-16	6.00%	30-Apr-19	506.39	"[ICRA]AAA"
INE020B07JW0	54EC Capital Gain Tax Exemption Bonds Series X	31-May-16	6.00%	31-May-19	525.21	"[ICRA]AAA"
INE020B07JX8	54EC Capital Gain Tax Exemption Bonds Series X	30-Jun-16	6.00%	30-Jun-19	594.33	"[ICRA]AAA"
INE020B07JY6	54EC Capital Gain Tax Exemption Bonds Series X	31-Jul-16	6.00%	31-Jul-19	738.39	"[ICRA]AAA"
INE020B07JZ3	54EC Capital Gain Tax Exemption Bonds Series X	31-Aug-16	6.00%	31-Aug-19	554.25	"[ICRA]AAA"
INE020B07KA4	54EC Capital Gain Tax Exemption Bonds Series X	30-Sep-16	6.00%	30-Sep-19	627.06	"[ICRA]AAA"
INE020B07KB2	54EC Capital Gain Tax Exemption Bonds Series X	31-Oct-16	6.00%	31-Oct-19	588.47	"[ICRA]AAA"
INE020B07KC0	54EC Capital Gain Tax Exemption Bonds Series X	30-Nov-16	6.00%	30-Nov-19	766.04	"[ICRA]AAA"
INE020B07KD8	54EC Capital Gain Tax Exemption Bonds Series X	31-Dec-16	5.25%	31-Dec-19	611.40	"[ICRA]AAA"
INE020B07KE6	54EC Capital Gain Tax Exemption Bonds Series X	31-Jan-17	5.25%	31-Jan-20	508.65	"[ICRA]AAA"
INE020B07KF3	54EC Capital Gain Tax Exemption Bonds Series X	28-Feb-17	5.25%	29-Feb-20	503.66	"[ICRA]AAA"
Infrastructure Bonds						
INE020B08518	Infra Bonds 2010-11	31-Mar-11	8.10%	31-Mar-17	18.22	"[ICRA]AAA"
INE020B08500	Infra Bonds 2010-11	31-Mar-11	8.00%	31-Mar-21	1.61	"[ICRA]AAA"
INE020B08534	Infra Bonds 2010-11	31-Mar-11	8.20%	31-Mar-17	60.88	"[ICRA]AAA"
INE020B08526	Infra Bonds 2010-11	31-Mar-11	8.20%	31-Mar-21	3.79	"[ICRA]AAA"
INE020B08682	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-19	13.43	"[ICRA]AAA"
INE020B08690	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-19	5.00	"[ICRA]AAA"

ISIN No.	Name of the Instrument	Date of Issuance	Coupon rate	Maturity Date	Size of the issue	Current Rating*
INE020B08708	Infra Bonds 2011-12	15-Feb-12	8.95%	15-Feb-22	5.73	"[ICRA]AAA"
INE020B08716	Infra Bonds 2011-12	15-Feb-12	8.95%	15-Feb-22	1.38	"[ICRA]AAA"
INE020B08724	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-27	2.83	"[ICRA]AAA"
INE020B08732	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-27	1.13	"[ICRA]AAA"
NA	Short Term Debt Programme	NA	NA	7-365 days	5000.00	[ICRA]A1+

Source: REC; Note: Outstanding data as on March 29, 2017;

* The outlook on the long term rating is 'Stable'

Rating History for last three years:

S. N o	Name of Instrument	Current Rating		Month-year & Rating	Month-year & Rating	Month-year & Rating	Month-year & Rating	Chronology of Rating History for the past 3 years						
		Type	Rated amount (Rs. in crore)					Month	Year	Month	Year	Month	Year	
		FY2017		FY2017		FY2017		FY2016		FY2015		FY2014		
				April 2017	February 2017	January 2017	May 2016	April 2015	Febr uary 2016	April 2014	May 2014	March 2015	May 2013	July 2013
1	Long Term / Short Term borrowing programme for FY17-18	Long Term/ Short term	55,000	[ICRA] AAA(Stable) /A1+										
2	Long Term / Short Term borrowing programme for FY16-17	Long Term/ S hort term	42,000	[ICRA] AAA(Stable) /A1+	[ICRA] AAA(Stable) /A1+	[ICRA] AAA (Stable)/A1+	[ICRA] AAA/ A1+							
3	Long Term / Short Term borrowing programme for FY15-16	Long Term/ Short term	51,500	[ICRA] AAA(Stable) /A1+	[ICRA] AAA(Stable) /A1+	[ICRA] AAA (Stable)/A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+					
4	Long Term / Short Term borrowing programme for FY14-15	Long Term/ Short term	41,000	[ICRA] AAA(Stable) /A1+	[ICRA]AAA (Stable)/A1+	[ICRA] AAA (Stable)/A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+		
5	Long Term / Short Term borrowing programme for FY13-14	Long Term/ Short term	37,000	[ICRA] AAA(Stable) /A1+	[ICRA] AAA(Stable) /A1+	[ICRA] AAA (Stable)/A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+
6	Long Term / Short Term borrowing programme for prior to FY13-14 (O/s)	Long Term	76,430	[ICRA] AAA (Stable)/A1+	[ICRA] AAA(Stable) /A1+	[ICRA] AAA (Stable)/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+	[ICRA] AAA/A1+	[ICRA] AAA/ A1+	[ICRA] AAA/ A1+

* Long Term borrowing programme/ Short Term borrowing programme includes various bonds, CP and bank lines

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in



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Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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CONFIDENTIAL.

SN/FSR/RURECLT/LTB/2018/7021

March 19, 2018

Mr. Ajeet Agarwal

Director - Finance

Rural Electrification Corporation Limited

Core-4, SCOPE Complex, 7, Lohi Road

New Delhi-110 003

Tel.: 011- 24365162

Fax: 011- 24366 948 / 2436 9846

Dear Mr. Agarwal,

Re: CRISIL Rating for the Rs.50000 Crore Long-Term Borrowing Programme* of Rural Electrification Corporation Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated February 19, 2018 bearing Ref. no: SN/FSR/RURECLT/LTB/2017/7021/6.

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Long-Term Borrowing Programme	50000	CRISIL AAA/Stable

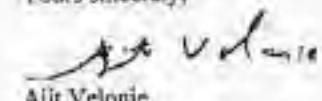
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

In the event of your company not making the issue within a period of 180 days from the date of this letter, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL will be necessary.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com.

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,
Yours sincerely,


Ajit VelonieAjit Velonie
Director - CRISIL Ratings
Nivedita Shibu

Associate Director - CRISIL Ratings



* Total incremental long-term bank borrowing and borrowings under the rated long-term bonds programme not to exceed Rs.50000 crore any point in time during fiscal 2018 (refers to financial year, April 1 to March 31).

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web site, www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1301.

CRISIL Limited

Corporate Identity Number: LB7120MH1987PLC042383

CONFIDENTIAL

SN/FSR/RURECLT/STB/2018/8020

March 19, 2018

Mr. Ajeet Agarwal

Director - Finance

Rural Electrification Corporation Limited

Core-4, SCOPE Complex, 7, Lodhi Road

New Delhi-110 003

Tel.: 011- 24365162

Fax: 011- 24366 948 / 2436 9846

Dear Mr. Agarwal,

Re: CRISIL Rating for the Rs.5000 Crore Short-Term Debt Programme* of Rural Electrification Corporation Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please refer to our rating letter dated February 19, 2018 bearing Ref. no: SN/FSR/RURECLT/STB/2017/8020/7

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Short-Term Debt Programme	5000	CRISIL A1+

For the purpose of issuance of captioned short-term debt programme, this letter is valid for 60 calendar days from the date of the letter. In the event of your company not placing the above programme within this period, or in the event of any change in the size/structure of your proposed issue, the rating shall have to be reviewed and a letter of revalidation shall have to be issued to you. Once the instrument is issued, the above rating is valid throughout the life of the captioned short-term debt programme with a contracted maturity of one year or less.

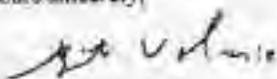
As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw, or revise the rating / outlook assigned to the captioned programme at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL believes may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us for any clarifications you may have at debtissue@crisil.com

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie
Director- CRISIL Ratings



Nivedita Shilu
Associate Director - CRISIL Ratings



* Short-term bank borrowing including bank guarantees; total short-term bank borrowing and borrowing under the rated short-term debt programme not to exceed Rs 5000 crore at any point during fiscal 2018 (refers to financial year, April 1 to March 31).

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL web-site: www.crisil.com. For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpdesk at 1800-267-1307.

CRISIL Limited

Corporate Identity Number: LB7120MH1987PLCDK2363

Rating Rationale

March 30, 2017 | Mumbai

Rural Electrification Corporation Limited

'CRISIL AAA/Stable' assigned to Long-term borrowing programme; 'CRISIL A1+' assigned to STD programme

Rating Action

Rs.50000 Crore Long-Term Borrowing Programme^#	CRISIL AAA/Stable (Assigned)
Rs.5000 Crore Short-Term Debt Programme^@	CRISIL A1+ (Assigned)
Rs.35000 Crore Long-Term Borrowing Programme\$	CRISIL AAA/Stable (Reaffirmed)
Long-Term Borrowing Programme Aggregating Rs.140132.73 Crore	CRISIL AAA/Stable (Reaffirmed)
Rs.7000 Crore Short-Term Debt Programme\$	CRISIL A1+ (Reaffirmed)
Rs.15000 Crore Short-Term Debt Programme	CRISIL A1+ (Reaffirmed)

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

[^] Borrowing programme for fiscal 2018 (refers to financial year, April 1 to March 31). The overall limit for the long-term borrowing programme and the short-term borrowing programme is Rs.55000.0 crore.

[#] Total incremental long-term bank borrowing and borrowings under the rated long-term bonds programme not to exceed Rs.50000.0 crore any point in time during fiscal 2018. The long-term borrowing programme includes tax-free bonds under Section 10 of the Income Tax Act 1961 and lower Tier II bonds.

[@] Short-term bank borrowing including bank guarantees; total short-term bank borrowing and borrowing under the rated short-term debt programme not to exceed Rs.5000.0 crore at any point during fiscal 2018.

^{\$} Borrowing programme for fiscal 2017

Detailed Rationale

CRISIL has assigned its '**CRISIL AAA/Stable**' rating to the Rs.50000 crore long-term borrowing programme of Rural Electrification Corporation Limited (REC) and its '**CRISIL A1+**' rating to the Rs.5000 crore short-term debt programme of the company. CRISIL has also reaffirmed its ratings on REC's existing debt instruments at '**CRISIL AAA/Stable/CRISIL A1+**'.

CRISIL's ratings on the debt instruments of REC continue to reflect the company's strategic importance to, and majority ownership by, the Government of India (GoI) given its key role in financing the Indian power sector. The rating also reflects REC's sound resource profile and comfortable capitalisation. The rating strengths are partially offset by the company's exposure to risks relating to inherent vulnerability of asset quality, and significant customer and sectoral concentration.

Key Rating Drivers & Detailed Description

Strengths

* Strategic importance to and majority ownership by Gol, given REC's key role in financing India's power sector

REC is strategically important to Gol as the nodal agency for channelling finance towards its rural electrification programme under the Deendayal Upadhyaya Gram Jyoti Yojana (formerly known as Rajiv Gandhi Grameen Vidyutikaran Yojana). Furthermore, the company has been nominated as the sole nodal agency to operate the National Electricity Fund Scheme—an interest subsidy scheme introduced by Gol to promote capital investment in the power distribution sector. The company also plays a developmental role in channelling finance to meet the power sector's large funding requirement, particularly of State Power Utilities (SPUs). It played an important role in providing transitional finance to state distribution companies (discoms) under Gol's financial restructuring package. REC is the second-largest lender to the sector. The government supports the company financially and operationally in various ways, including conferring special status to raise capital gains tax exemption bonds. CRISIL believes that Gol has strong strategic reasons and a moral obligation to support REC, both on an ongoing basis and in the event of distress, given the latter's role in implementing the government's power sector policies and Gol's majority ownership in the company (59.36% as on January 31, 2017).

* Strong resource profile

REC's credit risk profile is supported by its sound resource profile, with competitive borrowing costs and a diversified, albeit wholesale, resource base. Its debt instruments have wide market acceptability and the company typically borrows at low spreads over government securities. Its cost of borrowing is lower than that of peers, and was 8.2% (annualised; including foreign currency fluctuation losses) in the first nine months of fiscal 2017 (8.9% in fiscal 2016).

* Comfortable capitalisation

The comfortable capitalisation provides a cushion against asset-side risks arising from high sectoral and customer concentration. The networth was Rs 33,553 crore as on December 31, 2016 (Rs 28,618 crore as on March 31, 2016). The overall capital adequacy ratio was 21.3% as on December 31, 2016 (20.38% as on March 31, 2016). Capitalisation is supported by healthy cash accrual; the three-year average accrual to networth ratio was 16.1% between fiscal 2014 and fiscal 2016. The comfortable networth will support growth plans, while adequate gearing (5.0 times as on December 31, 2016) is maintained, over the medium term. Healthy profitability is supported by ability to maintain strong interest spreads and a low operating expense ratio. The return on assets ratio was 3.2% (annualised) in the first nine months of fiscal 2017 (2.9% in fiscal 2016). However, profitability will remain susceptible to increase in credit costs because of weakening in asset quality in the private sector exposures.

Weakness

* Exposure to risks relating to inherent vulnerability of asset quality, and significant customer and sectoral concentration

The company caters only to the power sector and faces inherent asset quality challenges because of the weak financial risk profiles of its main customers, SPUs, comprising around 76% of overall advances as on December 31, 2016. Effective execution of various reform measures is extremely critical for SPUs to produce the desired positive impact, and broad-based political consensus is necessary to implement the much-needed tariff hikes to ensure sustained improvement in the performance of SPUs.

REC also has around 16% exposure to the private sector as on December 31, 2016, which has increasingly become more vulnerable to asset quality risks owing to issues such as lack of fuel availability, inability to pass on fuel price increases, and absence of long-term power purchase agreements for assured power offtake. Aggressive bidding by a few players could also threaten the viability of new projects likely to be commissioned over the medium term.

As on December 31, 2016, the overall gross non-performing assets (NPAs), were 2.32% (2.11% as on March 31, 2016), which is primarily due to stress in private sector exposure. However, REC has been able to manage asset quality risks owing to its criticality to borrowers and through various asset protection mechanisms. CRISIL, however, believes that the asset quality will remain vulnerable over the medium term primarily because of the weak financial risk profiles of SPUs and the increased challenges faced by private sector borrowers.

Outlook: Stable

CRISIL believes that REC will continue to benefit from GoI's support, given its strategic role in the implementation of GoI's power sector initiatives and the government's majority ownership in the company. Moreover, REC will maintain its healthy position in the infrastructure-financing segment along with comfortable capitalisation and earnings. The outlook may be revised to 'Negative' if there is a decline in REC's strategic importance to, or in the support it receives from, GoI. The outlook may also be revised to 'Negative' if there is a significant and sustained deterioration in REC's asset quality or profitability.

About the Company

Incorporated in 1969, REC is a public financial institution under the administrative control of the Ministry of Power, GoI. The company is registered with Reserve Bank of India as a non-banking infrastructure finance company (NBFC-IFC). Until 2003, its primary objective was to provide financial assistance on concession to SPUs for rural electrification. Its mandate was broadened in 2003 to include financing of all segments of the power sector; REC finances generation projects, including independent power projects. Since September 2009, the company's mandate has been further widened to include financing activities allied to the power sector, and power-related infrastructure, such as coal and other mining activities, and fuel supply arrangements.

In fiscal 2016, total income (net of interest expense) and profit after tax (PAT) were Rs 9474 crore and Rs 5628 crore, respectively, up from Rs 8543 crore and Rs 5260 crore, respectively, in the previous fiscal. In the nine months ended December 31, 2016, total income (net of interest expense) and PAT were Rs 7765 crore and Rs 4927 crore, respectively, against Rs 7143 crore and Rs 4468 crore, respectively, in the corresponding period of the previous fiscal.

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL complexity levels are assigned to various types of financial instruments. The CRISIL complexity levels are available on www.crisil.com/complexity-levels. Users are advised to refer to the CRISIL complexity levels for instruments that they consider for investment. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of the Instrument	Allotment Date	Coupon Rate	Maturity Date
INE020B07HA0^	54EC Capital Gain Tax Exemption Bonds Series IX	30-Apr-13	6.00%	30-Apr-16
INE020B07HB8^	54EC Capital Gain Tax Exemption Bonds Series IX	31-May-13	6.00%	31-May-16
INE020B07HC6^	54EC Capital Gain Tax Exemption Bonds Series IX	30-Jun-13	6.00%	30-Jun-16
INE020B07HD4^	54EC Capital Gain Tax Exemption Bonds Series IX	31-Jul-13	6.00%	31-Jul-16
INE020B07HE2^	54EC Capital Gain Tax Exemption Bonds Series IX	31-Aug-13	6.00%	31-Aug-16
INE020B07HF9^	54EC Capital Gain Tax Exemption Bonds Series IX	30-Sep-13	6.00%	30-Sep-16
INE020B07HG7^	54EC Capital Gain Tax Exemption Bonds Series IX	31-Oct-13	6.00%	31-Oct-16
INE020B07HH5^	54EC Capital Gain Tax Exemption Bonds Series IX	30-Nov-13	6.00%	30-Nov-16
INE020B07HI3^	54EC Capital Gain Tax Exemption Bonds Series IX	31-Dec-13	6.00%	31-Dec-16
INE020B07HJ1^	54EC Capital Gain Tax Exemption Bonds Series IX	31-Jan-14	6.00%	31-Jan-17
INE020B07HK9^	54EC Capital Gain Tax Exemption Bonds Series IX	28-Feb-14	6.00%	28-Feb-17
INE020B07HL7	54EC Capital Gain Tax Exemption Bonds Series IX	31-Mar-14	6.00%	31-Mar-17
INE020B07IJ9	54EC Capital Gain Tax Exemption Bonds Series IX	30-Apr-14	6.00%	30-Apr-17
INE020B07IK7	54EC Capital Gain Tax Exemption Bonds Series IX	31-May-14	6.00%	31-May-17
INE020B07IL5	54EC Capital Gain Tax Exemption Bonds Series IX	30-Jun-14	6.00%	30-Jun-17
INE020B07IM3	54EC Capital Gain Tax Exemption Bonds Series IX	31-Jul-14	6.00%	31-Jul-17
INE020B07IN1	54EC Capital Gain Tax Exemption Bonds Series IX	31-Aug-14	6.00%	31-Aug-17
INE020B07IO9	54EC Capital Gain Tax Exemption Bonds Series IX	30-Sep-14	6.00%	30-Sep-17
INE020B07IP6	54EC Capital Gain Tax Exemption Bonds Series IX	31-Oct-14	6.00%	31-Oct-17
INE020B07IQ4	54EC Capital Gain Tax Exemption Bonds Series IX	30-Nov-14	6.00%	30-Nov-17
INE020B07IR2	54EC Capital Gain Tax Exemption Bonds Series IX	31-Dec-14	6.00%	31-Dec-17
INE020B07IS0	54EC Capital Gain Tax Exemption Bonds Series IX	31-Jan-15	6.00%	31-Jan-18
INE020B07IT8	54EC Capital Gain Tax Exemption Bonds Series IX	28-Feb-15	6.00%	28-Feb-18
INE020B07IU6	54EC Capital Gain Tax Exemption Bonds Series IX	31-Mar-15	6.00%	31-Mar-18
INE020B07JC2	54EC Capital Gain Tax Exemption Bonds Series X	30-Apr-15	6.00%	30-Apr-18
INE020B07JD0	54EC Capital Gain Tax Exemption Bonds Series X	31-May-15	6.00%	31-May-18
INE020B07JE8	54EC Capital Gain Tax Exemption Bonds Series X	30-Jun-15	6.00%	30-Jun-18
INE020B07JF5	54EC Capital Gain Tax Exemption Bonds Series X	31-Jul-15	6.00%	31-Jul-18
INE020B07JG3	54EC Capital Gain Tax Exemption Bonds Series X	31-Aug-15	6.00%	31-Aug-18
INE020B07JH1	54EC Capital Gain Tax Exemption Bonds Series X	30-Sep-15	6.00%	30-Sep-18
INE020B07JI9	54EC Capital Gain Tax Exemption Bonds Series X	31-Oct-15	6.00%	31-Oct-18
INE020B07JJ7	54EC Capital Gain Tax Exemption Bonds Series X	30-Nov-15	6.00%	30-Nov-18
INE020B07JK5	54EC Capital Gain Tax Exemption Bonds Series X	31-Dec-15	6.00%	31-Dec-18
INE020B07JL3	54EC Capital Gain Tax Exemption Bonds Series X	31-Jan-16	6.00%	31-Jan-19
INE020B07JM1	54EC Capital Gain Tax Exemption Bonds Series X	29-Feb-16	6.00%	28-Feb-19
INE020B07JN9	54EC Capital Gain Tax Exemption Bonds Series X	31-Mar-16	6.00%	31-Mar-19
INE020B07JV2	54EC Capital Gain Tax Exemption Bonds Series X	30-Apr-16	6.00%	30-Apr-19
INE020B07JW0	54EC Capital Gain Tax Exemption Bonds Series X	31-May-16	6.00%	31-May-19
INE020B07JX8	54EC Capital Gain Tax Exemption Bonds Series X	30-Jun-16	6.00%	30-Jun-19
INE020B07JY6	54EC Capital Gain Tax Exemption Bonds Series X	31-Jul-16	6.00%	31-Jul-19

INE020B07JZ3	54EC Capital Gain Tax Exemption Bonds Series X	31-Aug-16	6.00%	31-Aug-19	5
INE020B07KA4	54EC Capital Gain Tax Exemption Bonds Series X	30-Sep-16	6.00%	30-Sep-19	6
INE020B07KB2	54EC Capital Gain Tax Exemption Bonds Series X	31-Oct-16	6.00%	31-Oct-19	5
INE020B07KC0	54EC Capital Gain Tax Exemption Bonds Series X	30-Nov-16	6.00%	30-Nov-19	7
INE020B07KD8	54EC Capital Gain Tax Exemption Bonds Series X	31-Dec-16	5.25%	31-Dec-19	6
INE020B07KE6	54EC Capital Gain Tax Exemption Bonds Series X	31-Jan-17	5.25%	31-Jan-20	5
INE020B07KF3	54EC Capital Gain Tax Exemption Bonds Series X	28-Feb-17	5.25%	29-Feb-20	5
INE020B08500	Infra Bonds 2010-11	31-Mar-11	8.10%	31-Mar-17	
INE020B08518	Infra Bonds 2010-11	31-Mar-11	8.00%	31-Mar-21	
INE020B08526	Infra Bonds 2010-11	31-Mar-11	8.20%	31-Mar-17	
INE020B08534	Infra Bonds 2010-11	31-Mar-11	8.20%	31-Mar-21	
INE020B08666^	Infra Bonds 2011-12	15-Feb-12	8.95%	15-Feb-17	
INE020B08674^	Infra Bonds 2011-12	15-Feb-12	8.95%	15-Feb-17	
INE020B08682	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-19	
INE020B08690	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-19	
INE020B08708	Infra Bonds 2011-12	15-Feb-12	8.95%	15-Feb-22	
INE020B08716	Infra Bonds 2011-12	15-Feb-12	8.95%	15-Feb-22	
INE020B08724	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-27	
INE020B08732	Infra Bonds 2011-12	15-Feb-12	9.15%	15-Feb-27	
INE020B08518	Infra Bonds 2010-11	31-Mar-11	8.10%	31-Mar-17	
INE020B08534	Infra Bonds 2010-11	31-Mar-11	8.20%	31-Mar-17	
INE020B07CU9	Institutional Bonds	28-Sep-07	9.85%	28-Sep-17	
INE020B07DE1	Institutional Bonds	28-Feb-08	9.07%	28-Feb-18	
INE020B07DG6	Institutional Bonds	13-Jun-08	9.68%	13-Jun-18	
INE020B07DT9	Institutional Bonds	29-Jul-08	10.70%	29-Jul-18	
INE020B07DW3	Institutional Bonds	14-Aug-08	10.85%	14-Aug-18	
INE020B07DY9	Institutional Bonds	30-Sep-08	10.85%	30-Sep-18	
INE020B07EB5	Institutional Bonds	24-Oct-08	11.15%	24-Oct-18	
INE020B07EG4	Institutional Bonds	15-Jan-09	8.65%	15-Jan-19	
INE020B07EP5	Institutional Bonds	03-Aug-09	8.80%	03-Aug-19	
INE020B07ER1	Institutional Bonds	04-Sep-09	8.72%	04-Sep-19	
INE020B07EV3	Institutional Bonds	06-Oct-09	8.80%	06-Oct-19	
INE020B07EY7	Institutional Bonds	17-Nov-09	8.80%	17-Nov-19	
INE020B07FC0	Institutional Bonds	22-Jan-10	8.65%	22-Jan-20	
INE020B08427	Institutional Bonds	08-Jun-10	8.75%	08-Jun-25	
INE020B08435	Institutional Bonds	12-Jul-10	8.70%	12-Jul-19	
INE020B08443	Institutional Bonds	12-Jul-10	8.75%	12-Jul-25	
INE020B08450	Institutional Bonds	25-Oct-10	8.80%	25-Oct-20	
INE020B08468	Institutional Bonds	29-Nov-10	8.80%	29-Nov-20	2
INE020B08492	Institutional Bonds	15-Mar-11	9.18%	15-Mar-21	
INE020B08567	Institutional Bonds	15-Jul-11	9.63%	15-Jul-21	
INE020B08591	Institutional Bonds	10-Aug-11	9.48%	10-Aug-21	3
INE020B08641	Institutional Bonds	11-Nov-11	9.75%	11-Nov-21	3
INE020B08658^	Institutional Bonds	15-Feb-12	9.28%	15-Feb-17	
INE020B08740	Institutional Bonds	15-Jun-12	9.35%	15-Jun-22	2

INE020B08757	Institutional Bonds	20-Jul-12	9.40%	20-Jul-17
INE020B08765	Institutional Bonds	20-Jul-12	9.39%	20-Jul-19
INE020B08773	Institutional Bonds	27-Aug-12	9.25%	27-Aug-17
INE020B08799	Institutional Bonds	19-Nov-12	9.02%	19-Nov-19
INE020B08807	Institutional Bonds	19-Nov-12	9.02%	19-Nov-22
INE020B08815	Institutional Bonds	01-Feb-13	8.70%	01-Feb-18
INE020B08823	Institutional Bonds	08-Mar-13	8.87%	08-Mar-20
INE020B08831	Institutional Bonds	12-Apr-13	8.82%	12-Apr-23
INE020B08849	Institutional Bonds	31-May-13	8.06%	31-May-23
INE020B07HX2	Institutional Bonds	17-Oct-13	9.24%	17-Oct-18
INE020B07HY0	Institutional Bonds	06-Nov-13	9.38%	06-Nov-18
INE020B07HZ7	Institutional Bonds	03-Jan-14	9.61%	03-Jan-19
INE020B07IA8	Institutional Bonds	05-Feb-14	9.63%	05-Feb-19
INE020B07IB6^	Institutional Bonds	10-Mar-14	9.67%	10-Mar-17
INE020B07II1^	Institutional Bonds	26-Mar-14	9.52%	25-Mar-17
INE020B07IV4	Institutional Bonds	18-Jun-14	9.02%	18-Jun-19
INE020B07IW2	Institutional Bonds	17-Jul-14	9.40%	17-Jul-21
INE020B07IY8	Institutional Bonds	25-Aug-14	9.25%	25-Aug-17
INE020B07IZ5	Institutional Bonds	25-Aug-14	9.34%	24-Aug-24
INE020B07JB4	Institutional Bonds	24-Sep-14	9.06%	23-Sep-17
INE020B08856	Institutional Bonds	13-Oct-14	9.04%	12-Oct-19
INE020B08864	Institutional Bonds	13-Nov-14	8.56%	13-Nov-19
INE020B08872	Institutional Bonds	04-Dec-14	8.44%	04-Dec-21
INE020B08880	Institutional Bonds	22-Dec-14	8.57%	21-Dec-24
INE020B08898	Institutional Bonds	23-Jan-15	8.23%	23-Jan-25
INE020B08906	Institutional Bonds	06-Feb-15	8.27%	06-Feb-25
INE020B08914	Institutional Bonds	23-Feb-15	8.35%	22-Feb-25
INE020B08930	Institutional Bonds	10-Apr-15	8.30%	10-Apr-25
INE020B08948	Institutional Bonds	14-Aug-15	8.37%	14-Aug-20
INE020B08955	Institutional Bonds	22-Sep-15	8.36%	22-Sep-20
INE020B08963	Institutional Bonds	07-Oct-15	8.11%	07-Oct-25
INE020B08971	Institutional Bonds	08-Dec-15	8.05%	07-Dec-18
INE020B08989^	Institutional Bonds	05-Feb-16	8.28%	04-Mar-17
INE020B07CQ7^	Institutional Bonds	20-Jan-07	8.85%	20-Jan-17
INE020B08583^	Institutional Bonds	10-Aug-11	9.45%	10-Aug-16
INE020B08609^	Institutional Bonds	06-Sep-11	9.38%	06-Sep-16
INE020B07HW4^	Institutional Bonds	17-Oct-13	9.05%	17-Oct-16
INE020B07IX0^	Institutional Bonds	08-Aug-14	9.27%	08-Aug-16
INE020B07JA6^	Institutional Bonds	08-Sep-14	8.97%	08-Sep-16
INE020B08617^	Institutional Bonds	19-Oct-11	9.35%	19-Oct-16
INE020B08997	Institutional Bonds	21-Oct-16	7.24%	21-Oct-21
INE020B08AA3	Institutional Bonds	07-Nov-16	7.52%	07-Nov-26
INE020B08AB1	Institutional Bonds	09-Dec-16	7.14%	09-Dec-21
INE020B08AC9	Institutional Bonds	30-Dec-16	7.52%	30-Dec-26
INE020B08AD7	Institutional Bonds	31-Jan-17	6.83%	29-Jun-20

INE020B08AE5	Institutional Bonds	20-Feb-17	7.13%	21-Sep-20
INE020B08AF2	Institutional Bonds	28-Feb-17	7.46%	28-Feb-22
INE020B08AG0	Institutional Bonds	3-Mar-17	6.88%	3-Sep-18
INE020B08AH8	Institutional Bonds	14-Mar-17	7.95%	12-Mar-26
INE020B08AI6	Institutional Bonds	17-Mar-17	7.42%	17-Jun-20
INE020B08476	Zero Coupon Bonds	15-Dec-10	0.00%	15-Dec-20
INE020B08484	Zero Coupon Bonds	03-Feb-11	0.00%	03-Feb-21
INE020B07GG9	Tax Free Bonds	27-Mar-12	7.93%	27-Mar-22
INE020B07GG9	Tax Free Bonds	27-Mar-12	8.13%	27-Mar-22
INE020B07GH7	Tax Free Bonds	27-Mar-12	8.12%	27-Mar-27
INE020B07GH7	Tax Free Bonds	27-Mar-12	8.32%	27-Mar-27
INE020B07GU0	Tax Free Bonds	21-Nov-12	7.21%	21-Nov-22
INE020B07GV8	Tax Free Bonds	21-Nov-12	7.38%	21-Nov-27
INE020B07GW6	Tax Free Bonds	19-Dec-12	7.22%	19-Dec-22
INE020B07GW6	Tax Free Bonds	19-Dec-12	7.72%	19-Dec-22
INE020B07GX4	Tax Free Bonds	19-Dec-12	7.38%	19-Dec-27
INE020B07GX4	Tax Free Bonds	19-Dec-12	7.88%	19-Dec-27
INE020B07GY2	Tax Free Bonds	25-Mar-13	6.88%	25-Mar-23
INE020B07GY2	Tax Free Bonds	25-Mar-13	7.38%	25-Mar-23
INE020B07GZ9	Tax Free Bonds	25-Mar-13	7.04%	25-Mar-28
INE020B07GZ9	Tax Free Bonds	25-Mar-13	7.54%	25-Mar-28
INE020B07HM5	Tax Free Bonds	29-Aug-13	8.01%	29-Aug-23
INE020B07HN3	Tax Free Bonds	29-Aug-13	8.46%	29-Aug-28
INE020B07HO1	Tax Free Bonds	24-Sep-13	8.01%	24-Sep-23
INE020B07HR4	Tax Free Bonds	24-Sep-13	8.26%	24-Sep-23
INE020B07HP8	Tax Free Bonds	24-Sep-13	8.46%	24-Sep-28
INE020B07HS2	Tax Free Bonds	24-Sep-13	8.71%	24-Sep-28
INE020B07HQ6	Tax Free Bonds	24-Sep-13	8.37%	24-Sep-33
INE020B07HT0	Tax Free Bonds	24-Sep-13	8.62%	24-Sep-33
INE020B07HU8	Tax Free Bonds	11-Oct-13	8.18%	11-Oct-23
INE020B07HV6	Tax Free Bonds	11-Oct-13	8.54%	11-Oct-28
INE020B07IC4	Tax Free Bonds	24-Mar-14	8.19%	24-Mar-24
INE020B07IF7	Tax Free Bonds	24-Mar-14	8.44%	24-Mar-24
INE020B07ID2	Tax Free Bonds	24-Mar-14	8.63%	24-Mar-29
INE020B07IG5	Tax Free Bonds	24-Mar-14	8.88%	24-Mar-29
INE020B07IE0	Tax Free Bonds	24-Mar-14	8.61%	24-Mar-34
INE020B07IH3	Tax Free Bonds	24-Mar-14	8.86%	24-Mar-34
INE020B07JO7	Tax Free Bonds	23-Jul-15	7.17%	23-Jul-25
INE020B07JP4	Tax Free Bonds	05-Nov-15	6.89%	05-Nov-25
INE020B07JQ2	Tax Free Bonds	05-Nov-15	7.14%	05-Nov-25
INE020B07JR0	Tax Free Bonds	05-Nov-15	7.09%	05-Nov-30
INE020B07JS8	Tax Free Bonds	05-Nov-15	7.34%	05-Nov-30
INE020B07JT6	Tax Free Bonds	05-Nov-15	7.18%	05-Nov-35
INE020B07JU4	Tax Free Bonds	05-Nov-15	7.43%	05-Nov-35
NA	Term loan	NA	NA	Upto 2019

NA	Long term Borrowing programme*	NA	NA	NA	9
NA	Long term Borrowing programme*	NA	NA	NA	1
NA	Short term debt programme*	NA	NA	7-365 days	
NA	Short term debt programme	NA	NA	7-365 days	
NA	Short term debt programme	NA	NA	7-365 days	

bonds and term loans from banks/financial institution are part of long-term borrowing programme,

* Yet to be issued,

^ Independent confirmation of redemption awaited before withdrawing ratings on these facilities

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2017 (History)		2016		2015		D
		Quantum	Rating	Date	Rating	Date	Rating	Date	Rating	
Bond	LT		--	08-02-17	Withdrawal		No Rating Change		No Rating Change	
Long-Term Borrowing Programme	LT	225132.73	CRISIL AAA/Stable		No Rating Change		No Rating Change		No Rating Change	
Lower Tier II Bonds	LT		--	08-02-17	Withdrawal		No Rating Change		No Rating Change	
Non Convertible Debentures	LT		--	08-02-17	Withdrawal		No Rating Change		No Rating Change	
Short Term Debt	ST	27000	CRISIL A1+		No Rating Change		No Rating Change		No Rating Change	
Tax Free Bond	LT		--	08-02-17	Withdrawal		No Rating Change		No Rating Change	
Taxable Bond	LT		--	08-02-17	Withdrawal		No Rating Change		No Rating Change	

Table reflects instances where rating is changed or freshly assigned. 'No Rating Change' implies that there was no rating change under the release.

Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Banks and Financial Institutions](#)

[Criteria for Notching up Stand Alone Ratings of Entities Based on Government Support](#)

[Criteria for rating Short-Term Debt \(including Commercial Paper\)](#)

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Mr. A. K. Agarwal
Director Finance,
Rural Electrification Corporation Limited,
Core-4, SCOPE Complex,
7-Lodhi Road
New Delhi - 110003

March 14, 2018

Kind Attn: Mr. A. K. Agarwal, Director Finance

Dear Sir,

Re: Rural Electrification Corporation Limited - Gol fully serviced bonds.

India Ratings and Research (Ind-Ra) has rated Rural Electrification Corporation Limited's (REC) additional bond facilities as follows:

Instrument Type	Size of Issue (billion)	Rating/Outlook	Rating Action
Gol fully serviced bonds	INR40	INR AAA/Stable	Assigned

India Ratings notes that the ratings are assigned to the programme and not to the notes issued under the programme. There is no assurance that notes issued under the programme will be assigned a rating, or that the rating assigned to specific issue under the programme will have the same rating as the rating assigned to the programme.

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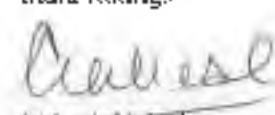
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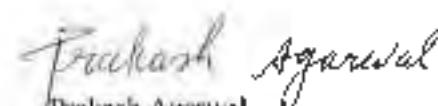
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We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please contact the undersigned at 022 – 4000 1700.

Sincerely,

India Ratings


Rakesh Valecha
Senior Director


Prakash Agarwal
Director

India Ratings Assigns Rural Electrification Corp's INR40 billion GoI Fully Serviced Bonds 'IND AAA'/Stable

19

By Devika Malik

India Ratings and Research (Ind-Ra) has rated Rural Electrification Corporation Limited's (REC) additional bond facilities as follows:

MAR 2018

Instrument	Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
GoI fully serviced bonds	-	-	-	-	INR40,000	IND AAA/Stable	Assigned

KEY RATING DRIVERS

Extra Budgetary Resources: Ind-Ra has equated the bond rating with that of the sovereign (Fitch Ratings Ltd Issuer Default Rating; 'BBB-/Stable). Given these bonds will be a part of the central government's budget, debt servicing will form a part of the central government's deficit and debt. The purpose of extra budgetary resources is to augment the funding for Integrated Power Development Scheme and Deen Dayal Upadhyay Gram Jyoti Yojana.

Power Ministry Responsible for Debt Servicing: The Ministry of Power has agreed that it shall be solely responsible for the debt servicing of these bonds.

Nodal Public Policy Institution: REC acts as the nodal agency for financing rural electrification projects under centrally sponsored schemes, and provides low-cost funding to state electricity boards and state-owned power entities for rural electrification. REC is a one-stop point for funding of all three verticals in the power sector - generation, transmission and distribution, including emerging private independent power projects. It has been the nodal agency for the operationalisation of the National Electricity Fund scheme for monitoring grants and implementing Deendayal Upadhyay Gram Jyoti Yojana. REC has now also been appointed as the nodal agency for INR163.20 billion Saubhagya Scheme and will be responsible for its operationalisation.

Sovereign Support: REC is majorly a government-owned company (9MFY18: 58.32%). The government of India (GoI) provides financial support to REC; it is one of the two government entities allowed to raise low-cost funds through capital gain tax bonds (54EC bonds). REC has strong operational and financial linkages with the GoI. The company acts as an extended arm of the GoI to finance rural electrification projects, a mandatory responsibility of the government. Ind-Ra believes the sovereign will provide timely financial support to REC in the event of a financial distress.

Operations Inching Up: REC's overall disbursements grew at a faster pace of 26% yoy to INR580 billion during FY17 than the 15% yoy average growth during FY12-FY16. During FY17, even sanctions grew at a faster pace of 28% yoy to INR839 billion than the 3% yoy average growth during FY12-FY16.

REC has recorded the highest growth in the last three years in sanctions in 9MFY18 of 41% yoy. However the disbursements have remained muted in 9MFY18. The growth in sanctions will be reflective on the disbursements in subsequent quarters.

Stagnant Loan Book: After witnessing average loan book expansion of 19.86% yoy during FY12-FY16, the loan book expanded by only 0.32% yoy in FY17. Despite the significant growth in disbursements in FY17, the slow growth in the year-end loan book is reflective of the prepayments arising from Ujjwal DISCOM Assurance Yojana (UDAY). However, REC's loan book has grown at a comfortable pace of 10.9% yoy to INR2.24 trillion at 9MFY18.

Asset Quality Dropping : REC's gross non-performing assets (NPAs) increased to INR67.06 billion at 9MFY18 from INR48.73 billion at FYE17. Fresh slippages had led to gross NPAs increasing to 2.99% at 9MFY18 (highest in the last nine years) from 2.11% in FY16 and net NPAs increasing to 2.03% from 1.60%.

Dropping Net Interest Margins: The net interest margins have been dropping post FY15 (5.04%). The margins dropped 14bp yoy to 4.90% in FY16 and further 25bp yoy in FY17 to 4.65%. Due to UDAY and higher competition due to demonetisation, the average contraction in its yield on assets (average 2.62% yoy) was much higher than the drop in cost of funds (average 1.34% yoy) both in FY16 and FY17.

The yields have continued to drop since FY17 due to the prepayments of high-yielding loans of state electricity boards under UDAY. The loans that were prepaid under UDAY carried an average yield of about 12.5%, much higher than the current yield of 11.07% in 9MFY18. REC has brought down its fund's cost 34bp yoy in 9MFY18, however, a 57bp yoy drop in yield has further pulled down its NIMs to 4.18% from 4.65% in FY17.

RATING SENSITIVITIES

A Negative Outlook could result from Ind-Ra's expectation of reduced government support. This could result from a significant dilution in the GoI's stake in REC resulting in the weakening of linkages between the two entities, as well as a dilution in REC's role as a public policy institution.

COMPANY PROFILE

REC was set up by the GoI in 1969 to finance and promote rural electrification projects in India. It now acts as a nodal agency for financing rural electrification projects under the GoI-sponsored schemes, and provides financial assistance to private power entities, state electricity boards, state government departments and rural electric cooperatives for rural electrification projects.

FINANCIAL SUMMARY

Parameters	FY17	FY16
Total earning assets (INR million)	2,074,855.2	2,044,832.3

Net worth (INR million)	333,255.9	286,177.6
Net interest income (INR million)	91,604.9	91,875.4
Return on average assets (%)	3.01	2.89
Gross NPA (%)	2.41	2.11
Net NPA (%)	1.60	1.60
Source: REC		

RATING HISTORY

Instrument Type	Current Rating/Outlook			Historic
	Rating Type	Rated Limits (billion)	Rating	20 December 2017
Issuer rating	Long term	-	IND AAA/Stable	IND AAA/Stable
GoI fully serviced bonds*	Long term	INR40,000	IND AAA/Stable	-
Short-term borrowing programme (including CP and bank guarantee) (FY18)	Short term	INR50,000	IND A1+	IND A1+
Long-term annual borrowing programme (FY18)*	Long term	INR500,000	IND AAA/Stable	IND AAA/Stable
Other long-term annual borrowing programmes (FY09-FY17)*	Long term	INR1,301,850 (reduced from INR1,336,790)	IND AAA/Stable	IND AAA/Stable

ANNEXURE

Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating/Outlook
Bonds (FY09)	INE020B07DG6	13 June 2008	9.68	13 June 2018	5,000	IND AAA/Stable
Bonds (FY09)	INE020B07DT9	29 July 2008	10.7	30 July 2018	5,000	IND AAA/Stable
Bonds (FY09)	INE020B07DW3	14 August 2008	10.85	14 August 2018	4,320	IND AAA/Stable
Bonds (FY09)	INE020B07DY9	30 September 2008	10.85	1 October 2018	6,574	IND AAA/Stable
Bonds (FY09)	INE020B07EB5	24 October 2008	11.15	24 October 2018	618	IND AAA/Stable
Bonds (FY09)	INE020B07EG4	15 January 2009	8.65	15 January 2019	14,950	IND AAA/Stable
Bonds (FY10)	INE020B07EP5	3 August 2009	8.8	3 August 2019	20,000	IND AAA/Stable
Bonds (FY10)	INE020B07ER1	4 September 2009	8.72	4 September 2019	8,682	IND AAA/Stable
Bonds (FY10)	INE020B07EV3	6 October 2009	8.8	7 October 2019	10,400	IND AAA/Stable
Bonds (FY10)	INE020B07EY7	17 November 2009	8.8	18 November 2019	9,959	IND AAA/Stable
Bonds (FY10)	INE020B07FC0	22 January 2010	8.65	22 January 2020	9,453	IND AAA/Stable
Bonds (FY11)	INE020B08427	8 June 2010	8.75	9 June 2025	12,500	IND AAA/Stable
Bonds (FY11)	INE020B08435	12 July 2010	8.7	12 July 2019	2,000	IND AAA/Stable
Bonds (FY11)	INE020B08443	12 July 2010	8.75	14 July 2025	18,000	IND AAA/Stable
Bonds (FY11)	INE020B08450	25 October 2010	8.8	26 October 2020	11,500	IND AAA/Stable
Bonds (FY11)	INE020B08468	29 November 2010	8.8	30 November 2020	21,205	IND AAA/Stable
Bonds (FY11)	INE020B08476	15 December 2010	Zero coupon	15 December 2020	5,332	IND AAA/Stable
Bonds (FY11)	INE020B08484	3 February 2011	Zero coupon	3 February 2021	1,161	IND AAA/Stable
Bonds (FY11)	INE020B08492	15 March 2011	9.18	15 March 2021	30,000	IND AAA/Stable
Bonds (FY11)	INE020B08518	31 March 2011	8	31 March 2021	616	IND AAA/Stable
Bonds (FY11)	INE020B08519	31 March 2011	8.1	31 March 2021	16	IND AAA/Stable
Bonds (FY11)	INE020B08526	31 March 2011	8.2	31 March 2021	1,517	IND AAA/Stable
Bonds (FY11)	INE020B08534	31 March 2011	8.2	31 March 2021	38	IND AAA/Stable
Bonds (FY12)	INE020B08567	15 July 2011	9.63	15 July 2021	15,000	IND AAA/Stable
Bonds (FY12)	INE020B08591	10 August 2011	9.48	10 August 2021	31,718	IND AAA/Stable
Bonds (FY12)	INE020B08641	11 November 2011	9.75	11 November 2021	39,222	IND AAA/Stable
Bonds (FY12)	INE020B07GG9	27 March 2012	7.93	27 March 2022	8,397	IND AAA/Stable
Bonds (FY12)	INE020B07GH7	27 March 2012	8.12	27 March 2027	21,603	IND AAA/Stable
Bonds (FY12)	INE020B08682	15 February 2012	9.15	15 February 2019	134	IND AAA/Stable
Bonds (FY12)	INE020B08708	15 February 2012	8.95	15 February 2022	57	IND AAA/Stable
Bonds (FY12)	INE020B08724	15 February 2012	9.15	15 February 2027	28	IND AAA/Stable
Bonds (FY12)	INE020B08690	15 February 2012	9.15	15 February 2019	50	IND AAA/Stable
Bonds (FY12)	INE020B08716	15 February 2012	8.95	15 February 2022	14	IND AAA/Stable
Bonds (FY12)	INE020B08732	15 February 2012	9.15	15 February 2027	11	IND AAA/Stable
Bonds (FY13)	INE020B08740	15 June 2012	9.35	15 June 2022	23,782	IND AAA/Stable
Bonds (FY13)	INE020B08765	20 July 2012	9.39	20 July 2019	9,600	IND AAA/Stable
Bonds (FY13)	INE020B08799	19 November 2012	9.02	19 November 2019	4,528	IND AAA/Stable
Bonds (FY13)	INE020B08807	19 November 2012	9.02	19 November 2022	22,112	IND AAA/Stable

Bonds (FY13)	INE020B08823	8 March 2013	8.87	9 March 2020	15,420	IND AAA/Stable
Bonds (FY13)	INE020B07GU0	21 November 2012	7.21	21 November 2022	2,550	IND AAA/Stable
Bonds (FY13)	INE020B07GV8	21 November 2012	7.38	21 November 2027	2,450	IND AAA/Stable
Bonds (FY13)	INE020B07GW6	19 December 2012	7.22	19 December 2022	11,653	IND AAA/Stable
Bonds (FY13)	INE020B07GX4	19 December 2012	7.38	19 December 2027	8,520	IND AAA/Stable
Bonds (FY13)	INE020B07GY2	25 March 2013	6.88	25 March 2023	814	IND AAA/Stable
Bonds (FY13)	INE020B07GZ9	25 March 2013	7.04	25 March 2028	497	IND AAA/Stable
Bonds (FY14)	INE020B08831	12 April 2013	8.82	12 April 2023	43,000	IND AAA/Stable
Bonds (FY14)	INE020B08849	31 May 2013	8.06	31 May 2023	25,000	IND AAA/Stable
Bonds (FY14)	INE020B07HX2	17 October 2013	9.24	17 October 2018	8,500	IND AAA/Stable
Bonds (FY14)	INE020B07HY0	6 November 2013	9.38	6 November 2018	28,780	IND AAA/Stable
Bonds (FY14)	INE020B07HZ7	3 January 2014	9.61	3 January 2019	16,550	IND AAA/Stable
Bonds (FY14)	INE020B07IA8	5 February 2014	9.63	5 February 2019	20,900	IND AAA/Stable
Bonds (FY14)	INE020B07HM5	29 August 2013	8.01	29 August 2023	2,090	IND AAA/Stable
Bonds (FY14)	INE020B07HN3	29 August 2013	8.46	29 August 2028	11,410	IND AAA/Stable
Bonds (FY14)	INE020B07HO1	24 September 2013	8.01	24 September 2023	2,572	IND AAA/Stable
Bonds (FY14)	INE020B07HR4	24 September 2013	8.26	24 September 2023	3,179	IND AAA/Stable
Bonds (FY14)	INE020B07HP8	24 September 2013	8.46	24 September 2028	17,212	IND AAA/Stable
Bonds (FY14)	INE020B07HS2	24 September 2013	8.71	24 September 2028	10,891	IND AAA/Stable
Bonds (FY14)	INE020B07HQ6	24 September 2013	8.37	24 September 2033	164	IND AAA/Stable
Bonds (FY14)	INE020B07HT0	24 September 2013	8.62	24 September 2033	389	IND AAA/Stable
Bonds (FY14)	INE020B07HU8	11 October 2013	8.18	11 October 2023	1,050	IND AAA/Stable
Bonds (FY14)	INE020B07HV6	11 October 2013	8.54	11 October 2028	450	IND AAA/Stable
Bonds (FY14)	INE020B07IC4	24 March 2014	8.19	24 March 2024	2,903	IND AAA/Stable
Bonds (FY14)	INE020B07IF7	24 March 2014	8.44	24 March 2024	1,291	IND AAA/Stable
Bonds (FY14)	INE020B07ID2	24 March 2014	8.63	24 March 2029	2,481	IND AAA/Stable
Bonds (FY14)	INE020B07IG5	24 March 2014	8.88	24 March 2029	2,823	IND AAA/Stable
Bonds (FY14)	INE020B07IE0	24 March 2014	8.61	24 March 2034	264	IND AAA/Stable
Bonds (FY14)	INE020B07IH3	24 March 2014	8.86	24 March 2034	833	IND AAA/Stable
Bonds (FY15)	INE020B07IV4	18 June 2014	9.02	18 June 2019	17,000	IND AAA/Stable
Bonds (FY15)	INE020B07IW2	17 July 2014	9.4	17 July 2021	15,150	IND AAA/Stable
Bonds (FY15)	INE020B07IZ5	25 August 2014	9.34	23 August 2024	19,550	IND AAA/Stable
Bonds (FY15)	INE020B08856	13 October 2014	9.04	11 October 2019	30,000	IND AAA/Stable
Bonds (FY15)	INE020B08864	13 November 2014	8.56	13 November 2019	17,000	IND AAA/Stable
Bonds (FY15)	INE020B08872	4 December 2014	8.44	4 December 2021	15,500	IND AAA/Stable
Bonds (FY15)	INE020B08880	22 December 2014	8.57	21 December 2024	22,500	IND AAA/Stable
Bonds (FY15)	INE020B08898	23 January 2015	8.23	23 January 2025	19,250	IND AAA/Stable
Bonds (FY15)	INE020B08906	6 February 2015	8.27	6 February 2025	23,250	IND AAA/Stable
Bonds (FY15)	INE020B08914	23 February 2015	8.35	21 February 2025	22,850	IND AAA/Stable
Bonds (FY15)	INE020B08922	9 March 2015	8.27	9 March 2022	7,000	IND AAA/Stable
Bonds (FY15)	INE020B07IU6	31 March 2015	6	31 March 2018	9,361	IND AAA/Stable
Bonds (FY16)	INE020B08930	10 April 2015	8.3	10 April 2025	23,960	IND AAA/Stable
Bonds (FY16)	INE020B08948	14 August 2015	8.37	14 August 2020	26,750	IND AAA/Stable
Bonds (FY16)	INE020B08955	22 September 2015	8.36	22 September 2020	27,500	IND AAA/Stable
Bonds (FY16)	INE020B08963	7 October 2015	8.11	7 October 2025	25,850	IND AAA/Stable
Bonds (FY16)	INE020B08971	8 December 2015	8.05	7 December 2018	22,250	IND AAA/Stable
Bonds (FY16)	INE020B07J07	23 July 2015	7.17	23 July 2025	3,000	IND AAA/Stable
Bonds (FY16)	INE020B07JP4	5 November 2015	6.89	5 November 2025	513	IND AAA/Stable
Bonds (FY16)	INE020B07QZ2	5 November 2015	7.14	5 November 2025	547	IND AAA/Stable
Bonds (FY16)	INE020B07JR0	5 November 2015	7.09	5 November 2030	1,337	IND AAA/Stable
Bonds (FY16)	INE020B07JS8	5 November 2015	7.34	5 November 2030	393	IND AAA/Stable
Bonds (FY16)	INE020B07JT6	5 November 2015	7.18	5 November 2035	2,766	IND AAA/Stable
Bonds (FY16)	INE020B07JU4	5 November 2015	7.43	5 November 2035	1,446	IND AAA/Stable
Bonds (FY16)	INE020B07JC2	30 April 2015	6	30 April 2018	3,124	IND AAA/Stable
Bonds (FY16)	INE020B07JD0	31 May 2015	6	31 May 2018	4,279	IND AAA/Stable
Bonds (FY16)	INE020B07JE8	30 June 2015	6	30 June 2018	4,409	IND AAA/Stable
Bonds (FY16)	INE020B07JF5	31 July 2015	6	31 July 2018	4,791	IND AAA/Stable
Bonds (FY16)	INE020B07GJ3	31 August 2015	6	31 August 2018	4,932	IND AAA/Stable
Bonds (FY16)	INE020B07JH1	30 September 2015	6	29 September 2018	4,972	IND AAA/Stable
Bonds (FY16)	INE020B07JI9	31 October 2015	6	31 October 2018	5,412	IND AAA/Stable
Bonds (FY16)	INE020B07JJ7	30 November 2015	6	30 November 2018	4,499	IND AAA/Stable
Bonds (FY16)	INE020B07JK5	31 December 2015	6	31 December 2018	5,852	IND AAA/Stable

Bonds (FY16)	INE020B07JL3	31 January 2016	6	31 January 2019	5,156	IND AAA/Stable
Bonds (FY16)	INE020B07JM1	29 February 2016	6	28 February 2019	5,712	IND AAA/Stable
Bonds (FY16)	INE020B07JN9	31 March 2016	6	30 March 2019	11,629	IND AAA/Stable
Bonds (FY17)	INE020B08997	21 October 2016	7.24	21 October 2021	25,000	IND AAA/Stable
Bonds (FY17)	INE020B08AA3	7 November 2016	7.52	7 November 2026	21,000	IND AAA/Stable
Bonds (FY17)	INE020B08AB1	9 December 2016	7.14	9 December 2021	10,200	IND AAA/Stable
Bonds (FY17)	INE020B08AC9	30 December 2016	7.54	30 December 2026	30,000	IND AAA/Stable
Bonds (FY17)	INE020B08AD7	31 January 2017	6.83	29 June 2020	12,750	IND AAA/Stable
Bonds (FY17)	INE020B08AE5	20 February 2017	7.13	21 September 2020	8,350	IND AAA/Stable
Bonds (FY17)	INE020B08AF2	28 February 2017	7.46	28 February 2022	6,250	IND AAA/Stable
Bonds (FY17)	INE020B08AG0	3 March 2017	6.88	3 September 2018	33,000	IND AAA/Stable
Bonds (FY17)	INE020B08AH8	14 March 2017	7.95	12 March 2027	27,450	IND AAA/Stable
Bonds (FY17)	INE020B08AI6	17 March 2017	7.42	17 June 2020	12,000	IND AAA/Stable
Bonds (FY17)	INE020B07JV2	30 April 2016	6	30 April 2019	5,064	IND AAA/Stable
Bonds (FY17)	INE020B07JW0	31 May 2016	6	31 May 2019	5,252	IND AAA/Stable
Bonds (FY17)	INE020B07JX8	30 June 2016	6	29 June 2019	5,943	IND AAA/Stable
Bonds (FY17)	INE020B07JY6	31 July 2016	6	31 July 2019	7,384	IND AAA/Stable
Bonds (FY17)	INE020B07JZ3	31 August 2016	6	31 August 2019	5,542	IND AAA/Stable
Bonds (FY17)	INE020B07KA4	30 September 2016	6	30 September 2019	6,271	IND AAA/Stable
Bonds (FY17)	INE020B07KB2	31 October 2016	6	31 October 2019	5,885	IND AAA/Stable
Bonds (FY17)	INE020B07KC0	30 November 2016	6	30 November 2019	7,660	IND AAA/Stable
Bonds (FY17)	INE020B07KD8	31 December 2016	5.25	31 December 2019	6,113	IND AAA/Stable
Bonds (FY17)	INE020B07KE6	31 January 2017	5.25	31 January 2020	5,095	IND AAA/Stable
Bonds (FY17)	INE020B07KF3	28 February 2017	5.25	29 February 2020	5,238	IND AAA/Stable
Bonds (FY17)	INE020B07KG1	31 March 2017	5.25	31 March 2020	11,181	IND AAA/Stable
Bonds (FY18)	INE020B07KJ7	30 April 2017	5.25	30 April 2020	4,634	IND AAA/Stable
Bonds (FY18)	INE020B07KJ5	31 May 2017	5.25	30 May 2020	5,036	IND AAA/Stable
Bonds (FY18)	INE020B07KK3	30 June 2017	5.25	30 June 2020	5,405	IND AAA/Stable
Bonds (FY18)	INE020B07KL1	31 July 2017	5.25	30 July 2020	7,432	IND AAA/Stable
Bonds (FY18)	INE020B07KM9	31 August 2017	5.25	30 August 2020	5,628	IND AAA/Stable
Bonds (FY18)	INE020B07KN7	30 September 2017	5.25	30 September 2020	5,984	IND AAA/Stable
Bonds (FY18)	INE020B07KOS	31 October 2017	5.25	30 October 2020	6,141	IND AAA/Stable
Bonds (FY18)	INE020B07KP2	30 November 2017	5.25	30 November 2020	6,563	IND AAA/Stable
Bonds (FY18)	INE020B08AJ4	24 August 2017	6.87	24 September 2020	24,850	IND AAA/Stable
Bonds (FY18)	INE020B08AK2	7 September 2017	7.03	7 September 2022	26,700	IND AAA/Stable
Bonds (FY18)	INE020B08AL0	26 September 2017	6.75	26 March 2019	11,500	IND AAA/Stable
Bonds (FY18)	INE020B08AM8	17 October 2017	7.09	17 October 2022	12,250	IND AAA/Stable
Bonds (FY18)	INE020B08AN6	31 October 2017	6.99	31 December 2020	28,500	IND AAA/Stable
Bonds (FY18)	INE020B08AO4	21 November 2017	7.18	21 May 2021	6,000	IND AAA/Stable
Bonds (FY18)	INE020B08AP1	30 November 2017	7.45	30 November 2022	19,120	IND AAA/Stable
Bonds (FY18)	INE020B08AQ9	12 December 2017	7.7	10 December 2027	35,330	IND AAA/Stable
Bonds (FY18)	INE020B07KQ0	31 December 2017	5.25	30 December 2020	7,458	IND AAA/Stable
Bonds (FY18)	INE020B07KR8	31 January 2018	5.25	30 January 2021	7,061	IND AAA/Stable
Bonds (FY18)	INE020B07KS6	28 February 2018	5.25	27 February 2021	8,060	IND AAA/Stable
Bonds (FY18)	INE020B08AR7	17 January 2018	7.6	17 April 2021	10,550	IND AAA/Stable
Bonds (FY18)	INE020B08AS5	12 February 2018	7.7	15 March 2021	24,650	IND AAA/Stable
Bonds (FY18)	INE020B08AT3	23 February 2018	7.99	23 February 2023	9,500	IND AAA/Stable
Bonds (FY18)	INE020B08AU1	28 February 2018	7.77	16 September 2019	14,500	IND AAA/Stable
Bonds (FY18)	INE020B08AV9	15 March 2018	7.59	13 March 2020	30,000	IND AAA/Stable
Bonds (FY18)	INE020B08AW7	15 March 2018	7.73	15 June 2021	8,000	IND AAA/Stable
Bonds (FY18)					169,146	Unutilised
GoI fully serviced bonds					40,000	Unutilised
Total					1,841,849	

COMPLEXITY LEVEL OF INSTRUMENTS

For details on the complexity levels of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

SOLICITATION DISCLOSURES

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

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Applicable Criteria

Rating of Public Sector Entities

Analyst Names

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**CERTIFIED COPY OF THE RESOLUTION PASSED BY THE BOARD OF
DIRECTORS OF RURAL ELECTRIFICATION CORPORATION LIMITED IN ITS
430TH BOARD MEETING HELD ON 24TH MARCH, 2017.**

Item No. 430.4.7

**Market Borrowing Programme for the Financial Year 2017-18,
including enhancement of Cash Credit / WCDL limit / overdraft
limit.**

The Board, after discussion, approved the proposal as detailed in the Agenda Note and passed the following resolution:

“RESOLVED THAT subject to the borrowing limit as approved by the shareholders in accordance with the provisions of the Companies Act 2013, the market borrowing programme for the FY 2017-18 be kept at ₹ 55,000 crore under various debt instruments as listed below on private/ public placement basis, with interchangeability of amount of raising as warranted by the market conditions within the overall limit of ₹ 55,000 crore as per following details, in consonance with the Memorandum and Articles of Association of REC be and is hereby approved.”

S. No.	Description	₹ in crore
1.	a) Bonds/Debentures including Infrastructure, Zero Coupon, Perpetual, Subordinate, Inflation Indexed, Tax Free Bonds or any other Bonds/ Debentures, with/ without interest rate swaps/ options with/ without the same being embedded in the Bonds/ Debentures structure, as may be permitted by the Regulatory Authorities from time to time whether Unsecured/ Secured, Non-convertible, Redeemable, Taxable/ Tax-free. b) External Commercial Borrowings (ECBs) i.e. Export Credit Assistance (ECAs)/ Official Development Assistance Loans (Long/ Medium Term Loans)/ Foreign Currency Convertible Bonds (FCCBs)/ Foreign Currency Non-resident (Bank) [FCNR (B)] Loans/ Export ODA Loans/ Foreign Currency Term Loans/Foreign Currency Bonds / Rupee Offshore Bonds/Green Bonds etc, from Banks/FIs/NBFCs/Other Institutions / Multilateral Funding Agencies etc. (excluding rollovers).	43,000
2.	Capital Gain Exemption Bonds u/s 54EC of Income Tax Act, 1961	7,000
3.	Short Term Loan from Banks/FIs/NBFCs and Commercial Paper (excluding rollovers and WCDL/CC Limit/OD Facility). Short term funds raised and repaid during the year to be excluded from this limit.	5,000
TOTAL		55,000

Zonal Offices : Hyderabad, Kolkata, Mumbai, Panchkula & Lucknow

Project Offices : Bangalore, Bhopal, Bhubaneswar, Chennai, Guwahati, Jaipur, Jammu, Patna, Ranchi, Shillong, Shimla, Thiruvananthapuram & Vadodara

Sub Offices : Dehradun, Raipur

Training Centre : Central Institute for Rural Electrification (CIRE), Hyderabad

“RESOLVED FURTHER THAT bonds/debentures to be issued during the FY 2017-18 may be issued in any combination as per the following broad scheme:-

- Bonds/Debentures including Infrastructure, Zero Coupon, Perpetual, Subordinate, Inflation Indexed, Tax Free Bonds, Section 54EC Bonds or any other Bonds/ Debentures, with/ without interest rate swaps/ options with/ without the same being embedded in the Bonds/ Debentures structure, as may be permitted by the Regulatory Authorities from time to time whether Unsecured/ Secured, Non-convertible, Redeemable, Taxable/ Tax-free.
- The issuance of instrument(s) may be in one or more series or tranches.
- Coupon rate (fixed or floating) will be as per the prevailing market interest rates payable annually or otherwise.
- The issue may be kept open for a period as may be decided by CMD / Director (Finance) and may be further extended with the approval of CMD / Director (Finance).
- Period of redemption - upto 20 years with / without put and call option.
- Arrangers' fee - as decided by CMD and/or Director (Finance).
- Listing – with National Stock Exchanges (NSE) / Bombay Stock Exchange (BSE) or any other recognized Stock Exchange(s) or a combination thereof.
- Mode Private/ Public Placement.
- A maximum of two Bond Issues by way of Private Placement in a month shall be made.
- Pricing and timing of Bond Issue as may be decided by CMD/Director(Finance)

“RESOLVED FURTHER THAT CMD and Director (Finance), REC be and are hereby jointly authorized to decide pricing, timing, mode, source of borrowing and marketing in respect of borrowings other than debentures such as Term Loans, External Commercial Borrowings (ECBs) i.e. Export Credit Assistance (ECAs)/ Official Development Assistance Loans (ODA loans), Long/ Medium Term Loans/ Foreign Currency Convertible Bonds (FCCBs)/ Foreign Currency Non-resident (Bank) [FCNR (B)] Loans/ / Export ODA loans)/ Foreign Currency Term Loans /Foreign Currency Bonds / Rupee Offshore Bonds/ Green Bonds etc., from Banks/FIs/NBFCs/Other Institutions/Multilateral Funding Agencies, commercial paper, etc. depending upon the prevailing debt market conditions within the above market borrowing programme and take appropriate hedging strategy for borrowings in foreign currency depending upon the market conditions.”

“RESOVED FURTHER THAT wherever it is decided to raise funds by way of Unsecured/ Secured, Non-convertible, Redeemable, Non- cumulative Taxable Bonds (Institutional Bonds) by inviting quotations/ bids/ book building etc., an in house committee of officials, as may be constituted by the CMD, shall evaluate the offers received and shall confirm/ scrap the deal during the bidding process on Electronic Bidding Platform (EBP) and shall put up its recommendations subsequently to CMD through Director(Finance) for ratification.”

“RESOLVED FURTHER THAT CMD be and is hereby authorized to make the interchangeability of the amount to be mobilized by the Company during the FY2017-18 by way of Bonds/Debentures including Infrastructure, Zero Coupon, Perpetual, Subordinate, Inflation Indexed, Tax Free Bonds, Section 54EC Bonds or any other Bonds/ Debentures as may be permitted by the Regulatory Authorities from time to time whether Unsecured/

Secured, Non-convertible, Redeemable, Taxable/ Tax-free, Term Loans, Commercial Papers, ECBs i.c. FCCBs/ FCNR (B) Loans/ Term Loans/Bonds/ ECAs/ ODA loans/ Rupee Offshore Bonds/Green Bonds etc., from Banks/FIs/NBFCs/Multilateral Funding Agencies etc. within the total limit of ₹ 55,000 crore.”

“RESOVED FURTHER THAT CMD/ Director (Finance) be and are hereby severally authorized to engage one or more rating agencies, both domestic and international, and approve the terms and conditions of the same for rating of the market borrowing programme of ₹55,000 crore comprising of long term and short term debt instruments including issue rating, issuer rating, wherever required, for the FY 2017-18.”

“RESOLVED FURTHER THAT CMD/ Director (Finance) be and are hereby severally authorized to engage wherever necessary the services of merchant bankers/debenture trustees/solicitors /mobilizers/ underwriters/ bankers/ printers/ PR agencies/ depositories/ stock exchanges/ auditors/ registrar and transfer agents or any other intermediary agencies on terms & conditions considering prevailing debt market conditions.”

“RESOLVED FURTHER THAT CMD/ Director (Finance) be and are hereby severally authorized to decide and accept the full amount of subscription of bonds/ ECBs i.e. FCCB/ECA/ Funding from Multilateral Agencies/Term Loan/Bonds/ Rupee Offshore Bonds/Green Bonds etc., Commercial Paper, other debt instruments and approve allotment of bonds and other debt/ quasi debt instruments in line with the provisions of Companies Act and other requirements.”

“RESOLVED FURTHER THAT CMD/ Director (Finance), be and are hereby severally authorized to open one or more bank account(s) in the name of the Company in foreign currency(ies) with such bank(s) in India and / or such foreign country(ies) as may be required, subject to the requisite approvals from appropriate authorities, if any and to also open bank accounts in the name of the Company, in connection with funds raised through Bonds, ECBs , Short Term Loans/ WCDL/ Cash Credit/ Dividend payment, etc.”

“RESOVED FURTHER THAT the proposal to issue two Taxable Bond Series by way of Private Placement in a month in FY 2017-18 as detailed in the memorandum above, be and is hereby approved.”

“RESOLVED FURTHER THAT CMD/ Director (Finance)/ Executive Director (Fin)/ GM (Finance) be and are hereby severally authorized along with AGM (Finance)/ DGM (Finance)/ Chief Manager (Finance) to execute the listing agreements on behalf of the Company with any of the recognized Stock Exchanges in India/Abroad in respect of securities issued/ to be issued by the Company from time to time.”

“RESOLVED FURTHER THAT CMD/ Director (Finance)/ Executive Director (Finance) be and are hereby severally authorized along with GM (Finance)/AGM (Finance)/ DGM (Finance)/ Chief Manager (Finance) to sign, execute, file and deliver all agreements as may be required in connection with and incidental to the issue of ECBs i.e. FCCB/ ECA route funding/ ODA Loans/ Funding from Multilateral Agencies/Foreign Currency Term Loans/Foreign Currency Bonds/ Rupee Offshore Bonds/ Green Bonds etc.”

“RESOLVED FURTHER THAT CMD/ Director (Finance)/ Executive Director (Finance) be and are hereby severally authorized along with GM (Finance) /AGM (Finance)/ DGM (Finance) /Chief Manager (Finance) to sign, execute, file and deliver all documents, instruments, instructions, deeds, declarations, amendments, papers, applications, notices or letters to comply with all the formalities as may be required in connection with and incidental to the issue of ECBs i.e. FCCB/ ECA route funding/ ODA Loans/ Funding from Multilateral Agencies/Foreign Currency Term Loans/Foreign Currency Bonds/ Rupee Offshore Bonds/ Green Bonds etc. including listing and post-closing of issue formalities.”

“RESOLVED FURTHER THAT CMD/Director (Finance) be and are hereby severally authorized to approve creation of additional charge on immovable and/ or movable property(ies) of the Company in respect of Secured Bonds in favour of bond trustees, Director (Finance)/ Executive Director (Finance)/ GM (Finance) alongwith AGM (Finance)/ DGM (Finance)/ Chief Manager (Finance) alongwith GM (Legal)/ DGM (Legal)/ Chief Manager (Legal) be and are hereby severally authorized to execute the necessary documents in this regard.”

“RESOLVED FURTHER THAT proposed enhancement of availment of Cash Credit/WCDL Limit/ Overdraft Limit from the existing ₹ 5000 crore to ₹ 8000 crore, be and is hereby approved. This limit shall be outside the Market Borrowing Program for the financial year in line with past practice.”

“RESOLVED FURTHER THAT Director (Finance)/ Executive Director (Finance)/ GM (Finance) be and are hereby severally authorized to approve availment of Cash Credit/ WCDL Limit/OD/ Short Term Loans from Banks/ FIs/ NBFCs etc. as per ranking of their rates as and when required.”

“RESOLVED FURTHER THAT CMD/ Director (Finance) be and are hereby severally authorized to approve new/renew proposals for Cash Credit/ OD/WCDL Limit/ Short Term Loans from Banks/ FIs/ NBFCs etc.”

“RESOLVED FURTHER THAT Director (Finance)/ Executive Director (Finance)/ GM (Finance) be and are hereby severally authorized alongwith AGM (Finance)/ DGM (Finance)/ Chief Manager (Finance)/Manager (Finance) to sign and execute the necessary documents for Cash Credit/OD/ WCDL Limit/ Short Term Loan.”

“RESOLVED FURTHER THAT in case of Cash Credit/WCDL Limit/ Overdraft Limit in the Month of March 2017 exceeds the existing limit of ₹ 5000 crore the same stands ratified subject to the ceiling of ₹ 8000 crore.”

“RESOLVED FURTHER THAT Director (Finance)/ Company Secretary be and are hereby severally authorized to execute and file necessary documents for creation/ modification/ satisfaction of charge with the office of Registrar of Companies and also filling of the petitions before the Company law Board/ Court wherever required for the various series of the Bonds/ Debentures issued by the Company from time to time as prescribed under the provisions of the Companies Act 1956 and/or Companies Act 2013.”

“RESOLVED FURTHER THAT the Director (Finance)/Executive Director (Finance)/ GM (Finance)/ AGM (Finance)/ DGM (Finance) be and are hereby severally authorized to file necessary documents with ROC/NSDL/CDSL/SEBI/ Stock Exchange(s) and also to approve consolidation/ splitting of bonds, taking note of nomination / change of nomination / sub-division of allotment letters/ bonds and vice-versa and conversion from physical to de-mat form/ re-mat / transfer/ transmission of all bonds.”

“RESOLVED FURTHER THAT the Director (Finance)/ Executive Director (Finance)/ GM (Finance)/ AGM (Finance)/ DGM (Finance)/ Chief Manager (Finance) be and are hereby severally authorized to make arrangements for printing of bond certificates on completion of allotment of bonds and/or duplicate bond certificates in case of such request and issue the same with signatures of the authority as decided by means of mechanical printing on bonds certificates and/or signature in his own hands in ink in terms of respective regulations or such other compliances which are required to be done in compliance of relevant rules and regulations.”

“RESOLVED FURTHER THAT Director (Finance)/ Executive Director (Finance)/ GM (Finance) be and are hereby severally authorized to approve arranging of Bank Guarantees and/or Cash as security deposit with the designated Stock Exchange, as may be required under the provisions of Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 as amended (SEBI Debt Regulations), in case of Public Issue(s) of Bonds. Further, Director (Finance)/ Executive Director (Finance)/ General Manager (Finance) also be and are hereby severally authorized to approve and sign counter Guarantee required to be given to the Bank issuing Bank Guarantee in terms of listing regulations of stock exchanges”.

“RESOLVED FURTHER THAT the Director (Finance)/ Executive Director (Finance)/ GM (Finance)/ AGM (Finance)/ DGM (Finance) be and are hereby severally authorized to sign and execute the necessary documents including signing of declaration(s) required under Companies Act, 2013 and issue of private placement offer letter for issue of bonds, drawl of Term Loan from Banks/ FIs/ NBFCs etc.”

“RESOLVED FURTHER THAT the Executive Director (Finance)/ GM (Finance) be and are hereby severally authorized along with AGM(Finance)/ DGM (Finance)/Chief Manager (Finance) to sign and execute the deeds, amendments etc. and to take any other action in this regard as may be required in connection with and incidental to the issue of secured/ unsecured bonds.”

“RESOLVED FURTHER THAT Executive Director(Finance)/ GM(Finance)/ AGM(Finance)/ DGM (Finance)/ Chief Manager (Finance) / Manager (Finance) be and are hereby severally authorized to execute and sign the letters of offer, deal confirmations and other documents required for issuing Commercial Paper, in his own hands in ink.”

“RESOLVED FURTHER THAT Executive Director (Fin)/ GM (Finance)/ AGM (Finance)/ DGM (Finance)/Chief Manager (Finance)/ Manager (Finance) be and are hereby severally authorized to sign and execute the documents for drawl/ repayment of Cash Credit/ WCDL/OD/ Short Term Loan”

“RESOLVED FURTHER THAT any two officers not below the rank of Manager (Finance), acting jointly, be and are hereby authorized on behalf of the Company to sign and execute documents to open / operate bank accounts opened for the purpose of payment of Dividend, both interim and final.”

“RESOLVED FURTHER THAT the Company Secretary and in his absence official authorized by the Company Secretary, be and is hereby authorized to affix common seal of the Company, in India or abroad, wherever required, in accordance with the provisions of the Articles of Association of the Company or in accordance with the applicable statutory provisions, on Term Loans/Short Term Loan/OD/WCDL/Cash Credit documents/ bonds scrips/foreign currency borrowing documents/ debentures/ trust documents/ listing agreements with the stock exchanges or any other document(s) required in connection with the market borrowing programme.”

“RESOLVED FURTHER THAT the ED (Finance) / GM (Finance) and in his absence any officer authorized him, be and are hereby authorized to act as compliance officer for the purpose of compliances of listing agreement of the stock exchanges in respect of securities issued/ to be issued by the Company from time to time and to issue necessary certificates to the stock exchanges / any other statutory bodies wherever required.”

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CERTIFIED TRUE COPY
हृते जरल इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड
For Rural Electrification Corporation Ltd.

(जे. एस. अमिताभ / J. S. AMITABH)
ग्रामपंचायतीक एवं कार्यनी सचिव / GM & CS

**CERTIFIED COPY OF EXTRACTS OF MINUTES OF 435TH BOARD MEETING
OF DIRECTORS OF RURAL ELECTRIFICATION CORPORATION LIMITED
HELD ON 21ST SEPTEMBER, 2017**

Dated: 25-Sep-2017

Item No. 435.2.2 Market Borrowing Programme for the Financial Year 2017-18.

The Board, after discussion, approved the proposal as detailed in the Agenda Note and passed the following resolution:

“RESOLVED THAT subject to the Memorandum of Association & Articles of Association of the Company, within the overall borrowing limit as approved by the shareholders of the Company from time to time and in accordance with the applicable provisions of the Companies Act, 2013, the proposal to borrow Rs.45,817 crore during the remaining part of Financial Year 2017-18 under various debt instruments such as bonds on private/public placement basis, term loan from FIs / Banks, Multilateral Funding Agencies, ECBs or in any other manner including short term loans from Banks / FIs / NBFCs and Commercial Paper (but excluding rollovers and WCDL/CC Limit/OD Facility and short term funds raised and repaid during the year) as may be necessitated due to changes in the market conditions within the overall market borrowing programme of Rs.55,000 crore during the FY 2017-18 as already approved, be and is hereby approved.”

“RESOLVED FURTHER THAT notwithstanding the above, other resolutions passed in the 430th meeting held on 24th March, 2017 item no. 430.4.7 regarding market borrowings of the Company including raising of funds through private placement of bonds/ debentures shall continue to be effective till end of FY 2017-18.”

प्रमाणित सत्य प्रतिलिपि
CERTIFIED TRUE COPY
कृपया भारत इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड
For Rural Electrification Corporation Limited

(र.ए. अमिताभ/J.B. AMITABH)
भारतीय ग्रामीण विद्युतीकरण (REC) & Company Secretary

CERTIFIED TRUE COPY OF SPECIAL RESOLUTION PASSED BY THE SHAREHOLDERS OF RURAL ELECTRIFICATION CORPORATION LIMITED AT THE 48TH ANNUAL GENERAL MEETING OF THE COMPANY HELD ON 21ST DAY OF SEPTEMBER, 2017.

Item No. 6: Approval for Private Placement of securities.

"RESOLVED THAT in accordance with the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and any other applicable laws including the SEBI (Issue & Listing of Debt Securities) (Amendment) Regulations, 2012 and other applicable SEBI regulations and guidelines, the circulars / directions / guidelines issued by Reserve Bank of India, from time to time, the provisions of the Memorandum and Articles of Association of the Company and subject to the receipt of necessary approvals as may be applicable and such other approvals, permissions and sanctions, as may be necessary, including the approval of any existing lenders / trustees of Debenture Holders, if so required under the terms of agreement / deed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, consent of the Company be and is hereby accorded to raise funds through private placement of unsecured/secured non-convertible bonds / debentures upto ₹ 65,000 crore during a period of one year from the date of passing of this resolution in one or more tranches, to such person or persons, who may or may not be the bond/debenture holders of the Company, as the Board (or any duly constituted Committee of the Board or such other authority as may be approved by the Board) may at its sole discretion decide, including eligible investors (whether residents and/or non-residents and/or institutions/incorporated bodies and/or individuals and/or trustees and/or banks or otherwise, in domestic and/or one or more international markets) including Non-Resident Indians, Foreign Institutional Investors (FIIs), Venture Capital Funds, Foreign Venture Capital Investors, State Industrial Development Corporations, Insurance Companies, Provident Funds, Pension Funds, Development Financial Institutions, Bodies Corporate, companies, private or public or other entities, authorities and to such other persons in one or more combinations thereof through Private Placement in one or more tranches and including the exercise of a green-shoe option (within the overall limit of ₹ 65,000 crore, as stated above), if any, at such terms as may be determined under the guidelines as may be applicable and on such terms and conditions as may be finalized by the Board or any duly constituted Committee of the Board or such other authority as may be approved by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to any Private Placement of unsecured/secured non-convertible bonds/ debentures, the Board of Directors of the Company (the "Board") or any duly constituted Committee of the Board or such other authority as may be approved by the Board, be and is hereby authorized to determine the terms of the Issue, including the class of investors to whom the bonds/debentures are to be allotted, the number of bonds/debentures to be allotted in each tranche, issue price, tenor, interest rate, premium/discount to the then prevailing market price, amount of issue, discount to issue price to a class of bond/ debenture holders, listing, issuing any declaration / undertaking etc. required to be included in the Private Placement Offer Letter and to do and execute all such acts, deeds and things under any other regulatory requirement for the time being in force."

प्रमाणित सत्य प्रतिलिपि
CERTIFIED TRUE COPY
राष्ट्रीय इलेक्ट्रीफिकेशन कारपोरेशन लिमिटेड
For Rural Electrification Corporation Limited

Rural Electrification Corporation Limited (A Govt. of India Enterprise)
 Registered Office - Gate-4, SOOHE Complex, 2, Inderi Road, New Delhi - 110008, CIN: 147001DL1969CL00009
 Statement of Standalone Unaudited Results for the Quarter and Six Months Ended 30-09-2017

Sl. No.	Particulars	Quarter Ended		Six Months Ended		Year Ended 31-03-17 (Audited)
		30-09-17 (Unaudited)	30-06-17 (Unaudited)	30-09-16 (Unaudited)	30-09-17 (Unaudited)	
1	A Revenue Income	5,571.69	5,463.23	5,756.96	10,834.25	11,645.38
	B Other Operating Income	121.76	108.33	20.96	230.09	265.09
C	Revenue from Operations (A+B)	5,692.85	5,571.56	5,956.92	11,064.37	11,910.47
D	Other Income	134.90	90.60	151.73	235.50	248.83
	Total Revenue (C+D)	5,827.75	5,662.16	6,108.55	11,299.87	12,159.30
Z	Expenses					
	A Finance Costs	3,427.49	3,342.54	3,426.13	6,770.03	6,975.47
	B Employee Benefits Expense	36.08	56.05	41.56	92.43	78.46
	C Corporate Social Responsibility Expenses	9.82	5.34	36.64	15.21	73.28
	D Other Expenses	19.62	24.71	34.96	44.33	49.03
	E Provisions and Contingencies	310.45	312.50	121.42	657.98	477.95
	F Depreciation and amortization expense	1.30	1.30	1.19	2.60	2.39
	Total Expenses (A to F)	3,805.14	3,772.44	3,561.88	7,377.58	7,560.52
3	Profit before Prior Period Items & Tax (G+H)	1,822.57	1,889.72	2,446.67	3,712.29	4,495.76
4	Prior Period Items					(0.64)
5	Profit before Tax (G+H)	1,822.57	1,889.72	2,446.67	3,712.29	4,495.40
6	Tax Expense					8,360.30
	A Current Year	575.79	572.87	705.44	1,148.59	1,325.92
	B Earlier Years / (Refund)			3.47		0.42
	C Deferred Tax Liability / (Asset)	32.19	15.71	(13.46)	42.90	0.88
	Total Tax Expense (A+B+C)	607.99	588.48	695.60	1,196.49	1,327.27
T	Profit for the period from Continuing Operations (G-H)	1,214.66	1,301.14	1,751.27	2,515.80	3,127.13
8	Profit from Discontinuing Operations (after tax)					
9	Profit for the Period (G+H)	1,214.66	1,301.14	1,751.27	2,515.80	3,127.13
10	Paid up Equity Share Capital (Face Value ₹10 per share)	1,974.92	1,974.92	1,974.92	1,974.92	1,974.92
11	Reserves & Surplus (Excluding Revaluation Reserves) (as per audited balance sheet as at 31 March)					31,360.30
12	Earnings per Share (EPS) (of ₹10 each) (not annualised) (in ₹)					
	A Basic	6.15	6.59	5.87	12.74	15.06
	B Diluted	6.15	6.59	5.87	12.74	15.06
13	Debt Equity Ratio (times)				5.00	5.10
14	Debtors: Receivables Reserve				1,023.24	826.59
25	Net Worth				35,144.92	31,777.79
						31,325.50

See accompanying notes to the financial results.



STATEMENT OF ASSETS AND LIABILITIES

Sl. No.	Particulars	₹ in Crores	
		As at 30.09.2017 (Unaudited)	As at 31.03.2017 (Audited)
A	EQUITY AND LIABILITIES		
(1)	Shareholders' Funds		
(a)	(a) Share Capital	1,974.92	1,974.92
(b)	(b) Reserves and Surplus	33,170.00	31,351.67
	Sub-total (Shareholders' Funds)	35,144.92	33,325.59
(2)	Non-current Liabilities		
(a)	(a) Long-term Borrowings	1,56,126.46	1,49,489.13
(b)	(b) Deferred Tax Liabilities	88.17	40.26
(c)	(c) Other Long-term Liabilities	47.92	12.38
(d)	(d) Long-term Provisions	2,193.94	1,848.42
	Sub-total (Non-current Liabilities)	1,58,508.49	1,51,390.39
(3)	Current Liabilities		
(a)	(a) Short-term Borrowings	5,801.00	-
(b)	(b) Other current Liabilities	23,268.05	24,326.04
(c)	(c) Short-term Provisions	616.54	194.22
	Sub-total (Current Liabilities)	26,705.59	24,520.26
	Total (EQUITY AND LIABILITIES)	2,20,357.00	2,09,236.24
B.	ASSETS		
(1)	Non-current Assets		
(a)	(a) Fixed Assets	230.45	181.26
(b)	(b) Non-current Investments	2,450.06	2,547.29
(c)	(c) Long-term Loans & Advances	1,90,421.79	1,77,348.96
(d)	(d) Other Non-current Assets	767.60	382.60
	Sub-total (Non-current Assets)	1,93,854.89	1,80,460.13
(2)	Current Assets		
(a)	(a) Current Investments	176.72	149.16
(b)	(b) Cash & Bank Balances	1,313.81	4,490.02
(c)	(c) Short-term Loans & Advances	3,506.06	3,594.54
(d)	(d) Other Current Assets	21,185.53	20,542.39
	Sub-total (Current Assets)	26,902.11	28,776.13
	Total (ASSETS)	2,20,357.00	2,09,236.24

Notes:

1. The above financial results for the period ended 30 September 2017 were reviewed by the Audit Committee of the company held on 6 November 2017 and approved and taken on record by the Board of Directors at the meeting held on 6 November 2017.
2. These results have been subjected to limited review by the Statutory Auditors of the Company.
3. During the quarter ended 30 June 2017, the Company had revised the accounting policy for amortization of one-time arrangement fee incurred in raising of foreign currency borrowings and premium paid towards hedging contracts over the period of such borrowings/ contracts. Due to this change in accounting policy, profit before tax for the quarter and half year ended 30 September 2017 is higher by ₹ 44.98 Crores. Further, during the current quarter ended 30 September 2017, the policy for recognizing the agency fee on Government schemes has now been changed to recognize such income on accrual basis. Due to this change in accounting policy, profit before tax for the quarter and half year ended 30 September 2017 is higher by ₹ 67.75 Crores.
4. The company has opted for accounting the foreign exchange fluctuation loss/gain on the long term foreign currency monetary items over the balance period of such items. The balance in Foreign Currency Monetary Item Translation Difference Account, remaining to be amortized as at 30 September 2017 is ₹ 35.70 Crores (gain) As at 30 June 2017 ₹ 33.35 Crores (gain).
5. RBI, vide its letters dated 25 July 2013 and 4 April 2014, had conveyed to the Company to comply with the Prudential Norms of RBI by 31st March, 2016 and follow the instructions contained in RBI Circular dated 20 January 2014 issued vide Notification No. DNBS (PN) No. 171/ CGM (DNB) 2014 in respect of restructuring of assets. Later, RBI vide its letter dated 11 June 2014 had allowed exemption to the Company from RBI restructuring norms till 31 March 2017 for Transmission & Distribution, Renovation & Modernisation and Life Extension projects and also the Hydro projects in Himalayan region or affected by natural disasters. Further, for project loans to Generating Companies restructured w.e.f. 01/04/2015, the provisioning requirement would be 5% and for stock of loans as on 31/03/2015 of such projects, the provisioning shall commence with a pro rata of 2.75% w.e.f. 31/03/2015 and reaching 5% by 31/03/2018.



In accordance with clarification from RBI vide email dated 10 August 17, T&D, R&D and life extension projects as also the hydro projects in Himalayan region or affected by natural disaster will be regulated by RBI restructuring norms with effect from 1 April 2017.

Further, in response to the Company's letter dated 10 May 2016, RBI vide its letter No. DNBR/PD/CO No. 2184/03.10.011/2015-16 dated 16 June 2016, has exempted RBC from applicability of RBI's *Classification of Credit/Investment norms* in respect of its exposure to Central/State Government entities up to 31 March 2022.

During the current quarter, a provision has been made amounting to ₹ 34.37 Crores on qualifying restructured loans (comprising of loans to Public Sector ₹ 10,763.87 crores and loans to Private Sector ₹ 12,522.00 crores) and the total provision created against such loans amounts to ₹ 1,369.41 crores as at 30 September 2017.

6. As at 30 September 2017, the dues of one of the borrowers were overdue for more than 3 months, thus, exceeding the time limit for classification of the borrower as 'Standard Asset'. However, the borrower had obtained an ad-interim order from Himachal High Court of Madras on 28 September 2015 not to classify the account as NPA. In view of the same, the classification of the borrower has been retained as 'Standard Asset' pending final decision of the Court.

However, as a matter of prudence, an additional provision has been created during the financial year 2016-17 @ 1.50% over and above 5.00% provisions in respect of the loan, making a total of 9.50% amounting to ₹ 213.69 crores and the same continues to be maintained. Further, during the quarter and half year ended 30 September 2017, the interest income of ₹ 94.37 Crores and ₹ 185.26 Crores respectively has not been recognised in the books of accounts.

7. The financial debt instruments of the Company continue to enjoy 'AAA' rating - the highest rating assigned by CRISIL, CARE, India Ratings & Research & ICRA Credit Rating Agencies. Further, the Company enjoys international credit rating equivalents to sovereign rating of India from International Credit Rating Agencies Moody's and Fitch which is 'Ba1F' and 'BBB+' respectively.

8. The Company's main business is to provide finance to power sector. Accordingly, the company does not have any business segment eligible for reporting in terms of Accounting Standard-37 Segment Reporting.

9. RBC launched its maiden USD Green Bonds in June 2017 to become the first Indian PSU to launch Green Bonds denominated in US Dollars and raised USD 450 million for a tenure of ten years from the offshore market. The Green Bonds, listed on the London Stock Exchange and Singapore Stock Exchange, have been certified by the Climate Bond Initiative, London while the 'Green Bond framework' formulated by RBC has been verified by ICMA. The issue proceeds were received on 2 July 2017 and have since been utilized for financing existing projects including re-financing and new eligible green projects in accordance with the Green Bond framework.

10. Details of previous due dates for the payment of interest/ repayment of principal along with next due date for the payment of interest/ principal in respect of listed non-convertible debt securities have been annexed herewith this statement as Annexure A in terms of the requirements of Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. The Company has not issued any redeemable preference shares till date.

12. For all the secured bonds issued by the Company and outstanding as at 30 September 2017, 100% security cover has been maintained by way of mortgage on certain immovable properties and/or charge on the receivables of the Company.

13. Previous periods/year's figures have been regrouped/rearranged whenever necessary.

For Bhutan Electrification Corporation Limited


P.V. Rayappa
Chairman & Managing Director
DIN - 02436059



Place: New Delhi
Date: 6 November 2017



Previous due dates for the payment of interest/ repayment of principal along with next due date for the payment of interest/ principal in respect of listed non-convertible debt securities

Annexure 26

S.No	ISIN No	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/ Principal Repayment	Whether the same has been Paid or Not	Next Due Date for Interest Payment	Next Due Date for Principal Payment		Amount	Amount
									Amount	Next Due Date for Principal Payment		
1	NE020807DE1	Institutional Bonds	84		8.27%	31-10-16	PAID	31-10-17	82.15	28-09-18	885.20	
2	NL020807DG6	Institutional Bonds	85	885.20	8.68%	13-08-17	PAID	13-08-18	48.40	13-08-18	500.00	
3	NE020807EC4	Institutional Bonds	86	520.00	8.85%	18-01-17	PAID	18-08-18	128.32	15-01-19	1,498.00	
4	NE020807FP3	Institutional Bonds	87	1,498.00	8.85%	03-08-17	PAID	03-08-18	176.00	03-08-19	2,000.00	
5	NE020808427	Institutional Bonds	88	2,000.00	8.80%	08-08-17	PAID	08-08-18	109.38	08-08-25	1,250.00	
6	INE020808450	Institutional Bonds	89	1,250.00	8.73%	08-08-17	PAID	08-08-18	101.20	28-10-20	1,150.00	
7	NE020808460	Institutional Bonds	90	1,150.00	8.80%	26-10-18	PAID	26-11-18	188.60	30-11-20	2,120.00	
8	NE020808492	Institutional Bonds	91	2,120.00	8.80%	22-11-18	PAID	22-11-19	271.45	15-03-21	3,000.00	
9	NE020808667	Institutional Bonds	100	3,000.00	9.18%	15-03-17	PAID	15-03-18	144.45	15-03-21	1,522.00	
10	NE020808641	Institutional Bonds	105	1,522.00	8.83%	15-07-17	PAID	16-07-18	101.20	15-07-21	1,498.00	
11	NE020808740	Institutional Bonds	107	1,498.00	8.73%	11-11-18	PAID	13-11-18	182.41	11-11-21	3,872.00	
12	NE020808815	Institutional Bonds	112	3,872.00	8.36%	13-06-17	PAID	15-06-18	222.98	16-06-22	2,378.00	
13	NE020808823	Institutional Bonds	113	2,378.00	8.70%	01-02-17	PAID	01-02-18	130.53	01-02-18	1,300.00	
14	NE020808831	Institutional Bonds	114	1,300.00	8.87%	08-03-17	PAID	08-03-18	138.78	08-03-20	1,342.00	
15	NE020808849	Institutional Bonds	115	1,342.00	8.82%	12-04-17	PAID	12-04-18	378.28	12-04-21	4,330.00	
16	NE020807HY0	Institutional Bonds	117	4,330.00	8.68%	31-05-17	PAID	01-05-18	201.50	31-05-20	2,500.00	
17	NE020807HZ7	Institutional Bonds	118	2,500.00	8.54%	07-11-18	PAID	08-11-18	269.96	08-11-18	2,478.00	
18	NE020807IA8	Institutional Bonds	118	2,478.00	8.81%	08-01-17	PAID	08-01-18	138.05	08-01-19	1,865.00	
19	NE020807IA4	Institutional Bonds	122	1,865.00	9.85%	08-02-17	PAID	08-02-18	200.72	08-02-19	2,080.00	
20	NE020808640	Institutional Bonds	125	2,080.00	9.83%	19-06-17	PAID	18-06-18	152.92	18-06-18	1,260.00	
21	NE020808664	Institutional Bonds	126	1,260.00	9.34%	13-10-18	PAID	13-10-19	271.20	11-10-19	3,000.00	
22	NE020808672	Institutional Bonds	127	3,000.00	8.36%	13-11-18	PAID	13-11-19	144.72	13-11-19	1,700.00	
23	NE020808880	Institutional Bonds	128	1,700.00	8.44%	18-03-17	PAID	18-03-18	130.20	04-12-21	1,680.00	
24	NE020808888	Institutional Bonds	129	1,680.00	8.57%	15-05-17	PAID	15-05-18	182.83	21-09-24	2,250.00	
25	NE020808898	Institutional Bonds	130	182.83	8.20%	15-05-17	PAID	15-05-18	158.43	23-01-28	1,420.00	
26	NE020808956	Institutional Bonds	131	1,420.00	8.27%	18-05-17	PAID	18-05-18	192.28	06-02-26	2,326.00	
27	NE020808922	Institutional Bonds	132	2,326.00	8.36%	23-02-17	PAID	23-02-18	190.80	21-02-25	2,285.00	
28	NE020808940	Institutional Bonds	133	190.80	8.27%	15-05-17	PAID	15-05-18	37.68	08-03-22	700.00	
29	NE020808948	Institutional Bonds	134	700.00	8.30%	11-12-16	PAID	15-12-17	188.67	10-04-25	2,306.00	
30	NE020808935	Institutional Bonds	135	2,306.00	8.37%	16-12-16	PAID	15-12-17	223.90	14-05-20	2,675.00	
31	NE020809989	Institutional Bonds	136	2,675.00	8.38%	16-12-16	PAID	15-12-17	229.80	29-08-20	2,790.00	
32	NE020809971	Institutional Bonds	137	2,790.00	8.11%	31-10-18	PAID	31-10-19	208.64	07-10-25	2,386.00	
33	NE020808997	Institutional Bonds	138	2,386.00	8.05%	31-12-18	PAID	01-01-19	178.60	07-12-18	2,225.00	
34	NE020808AA3	Institutional Bonds	140	2,225.00	7.24%	NA	NA	31-10-17	188.86	21-10-21	2,500.00	
35	NE020808AB1	Institutional Bonds	141	188.86	7.52%	NA	NA	30-11-17	167.67	07-11-28	2,100.00	
36	NE020808MC9	Institutional Bonds	142	167.67	7.14%	NA	NA	03-01-18	77.42	09-12-21	1,020.00	
				3,000.00	7.54%	NA	NA	08-01-18	221.44	30-12-28	3,000.00	



S.No.	ISIN No.	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/Principal Repayment	Whether the same has been Paid or Not	Next Due Date for Interest/Principal Payment	Amount	[In Crores]	
										Next Due Date for Principal Payment	Amount
37	INE020B964U7	Institutional Bonds	143	1,275.00	8.83%	NA	NA	14-01-18	67.38	29-06-20	1,275.00
38	INE020B964U5	Institutional Bonds	144	825.00	7.13%	NA	NA	28-02-18	80.84	21-03-20	825.00
39	INE020B964U2	Institutional Bonds	145	825.00	7.48%	NA	NA	28-02-18	16.83	28-02-22	625.00
40	INE020B964A30	Institutional Bonds	146	3,300.00	8.88%	24-09-17	PAID	02-09-18	227.04	03-09-18	3,300.00
41	INE020B964A45	Institutional Bonds	147	2,745.00	7.85%	NA	NA	30-03-18	227.79	12-03-21	2,745.00
42	INE020B964A16	Institutional Bonds	148	1,200.00	7.42%	NA	NA	17-03-18	69.04	17-06-20	1,200.00
43	INE020B964A44	Institutional Bonds	149	2,485.00	8.87%	25-09-17	PAID	24-09-18	170.73	24-09-20	2,485.00
44	INE020B964A22	Institutional Bonds	150	2,070.00	7.03%	NA	NA	07-09-18	163.76	07-09-22	2,070.00
45	INE020B964A53	Institutional Bonds	151	1,150.00	8.78%	NA	NA	28-03-18	38.49	26-03-19	1,150.00
46	INE020B964A34	Institutional Bonds	161-III	3,171.00	9.41%	13-08-17	PAID	13-08-18	300.89	10-08-21	3,171.00
47	INF020B98785	Infra/Long Bonds	108-II	980.00	9.39%	26-07-17	PAID	26-07-18	90.14	20-07-19	980.00
48	INE020B96279	Institutional Bonds	111-I	452.60	9.02%	15-11-17	PAID	20-11-17	42.84	18-11-18	452.60
49	INE020B96297	Institutional Bonds	111-I	2,211.20	9.02%	18-11-17	PAID	20-11-17	199.45	19-11-18	2,211.20
50	INE020B971X2	Institutional Bonds	116-I	840.00	8.24%	17-10-18	PAID	17-10-18	78.54	17-10-18	850.00
51	INE020B971W2	Institutional Bonds	123-I	1,615.00	8.40%	17-07-17	PAID	17-07-18	162.43	17-07-21	1,615.00
52	INE020B97012	Institutional Bonds	123-1M-10yrs	1,040.00	9.34%	25-08-17	PAID	27-08-18	181.80	23-08-24	1,040.00
53	INF020B97019	Institutional Bonds	05A-I	300.00	10.70%	29-07-17	PAID	30-07-18	53.95	10-07-18	300.00
54	INE020B970D9	Institutional Bonds	05-B-III	402.66	10.85%	14-08-17	PAID	14-08-18	46.87	14-08-18	402.66
55	INE020B970C9	Institutional Bonds	07 -II	857.40	10.85%	03-10-17	PAID	01-10-18	71.33	01-10-18	857.40
56	INF020B970B9	Infra/Long Bonds	09A -II	61.80	11.15%	24-10-18	PAID	24-10-18	6.80	24-10-18	61.80
57	INE020B970E1	Institutional Bonds	09B-II	868.20	8.72%	04-09-17	PAID	04-09-18	75.71	04-09-18	868.20
58	INE020B970E3	Institutional Bonds	09C-II	1,040.00	8.80%	06-10-18	PAID	06-10-18	91.92	07-10-18	1,040.00
59	INE020B970V7	Institutional Bonds	091-II	985.90	8.80%	12-11-18	PAID	17-11-17	87.84	18-11-18	985.90
60	INE020B970C0	Institutional Bonds	092-II	945.33	8.83%	23-01-17	PAID	22-01-18	81.77	22-01-18	945.33
61	INE020B96435	Institutional Bonds	96-I	200.00	8.70%	12-07-17	PAID	12-07-18	17.40	12-07-18	200.00
62	INE020B96443	Institutional Bonds	95-I	1,600.00	8.75%	12-07-17	PAID	12-07-18	167.60	14-07-25	1,600.00
63	INE020B96478	Zero Coupon Bonds	Series 1	914.88	8.25%	NA	NA	NA	NA	15-12-20	1,176.70
64	INE020B96484	Zero Coupon Bonds	Series - II	293.10	8.70%	NA	NA	NA	NA	03-02-21	268.63
65	INE020B974GB	Tax Free Bonds	2011-12	580.48	7.93%	01-07-17	PAID	02-07-18	34.91	28-03-22	582.46
66	NE020B974GB	Tax Free Bonds	2011-12	147.20	8.13%	01-07-17	PAID	02-07-18	11.87	26-03-22	147.20
67	NE020B974G7	Tax Free Bonds	2011-12	1,990.76	8.12%	01-07-17	PAID	02-07-18	198.40	29-03-22	1,890.76
68	INE020B974G7	Tax Free Bonds	2011-12	209.96	8.32%	01-07-17	PAID	02-07-18	17.44	29-03-22	209.96
69	INE020B974M5	Tax Free Bonds	Private Placement-2013-14	218.00	8.01%	29-06-17	PAID	29-06-18	16.74	29-06-20	209.56
70	NE020B974H9	Tax Free Bonds	Private Placement-2013-14	1,141.90	8.48%	29-06-17	PAID	29-06-18	90.93	29-06-20	1,141.90
71	NE020B974Q8	Tax Free Bonds	Private Placement-2013-14	105.00	8.18%	23-12-18	PAID	28-06-18	11.10	28-06-20	105.00
72	NE020B974H95	Tax Free Bonds	Private Placement-2013-14	45.00	8.64%	13-10-18	PAID	11-10-17	8.59	11-10-20	45.00
73	NE020B974Q0	Tax Free Bonds	Private Placement-2012-13	255.00	7.21%	21-11-18	PAID	11-10-17	3.84	11-10-20	45.00
74	INE020B974G8	Tax Free Bonds	Private Placement-2012-13	245.00	7.36%	21-11-18	PAID	21-11-17	18.39	21-11-22	245.00
									18.26	22-11-27	248.00



S.No.	ISIN No	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/Principal Repayment	Whether the Same has been Paid or Not	Next Due Date for Interest Payment	Next Due Date for Principal Payment	
									Amount	Due Date
75	NEC20207GK6	Tax Free Bonds	2012-13	161.45	7.22%	01-12-16	PAID	01-12-17	56.44	19-12-22
76	INF020207GK6	Tax Free Bonds	2012-13	388.57	7.22%	01-12-16	PAID	01-12-17	22.61	19-12-22
77	NEC20207GK6	Tax Free Bonds	2012-13	417.51	7.38%	01-12-16	PAID	01-12-17	32.60	20-12-22
78	NI-C201907GK4	Tax Free Bonds	2012-13	434.22	7.68%	01-12-16	PAID	01-12-17	34.22	20-12-22
79	INEC20207GK7	Tax Free Bonds	2012-13	50.33	6.88%	01-12-16	PAID	01-12-17	3.45	27-03-23
80	INB20207GK7	Tax Free Bonds	2012-13	51.02	7.08%	01-12-16	PAID	01-12-17	2.25	27-03-23
81	INI-C20207GK7	Tax Free Bonds	2012-13	6.21	7.34%	01-12-16	PAID	01-12-17	0.44	27-03-23
82	INL20207GK7	Tax Free Bonds	2012-13	42.50	7.54%	01-12-16	PAID	01-12-17	3.22	27-03-23
83	NEC20207GK7	Tax Free Bonds	2012-13	245.54	8.21%	01-12-16	PAID	01-12-17	19.57	25-03-23
84	INF020207GK7	Tax Free Bonds	2012-13	229.51	8.26%	01-12-16	PAID	01-12-17	27.32	25-03-23
85	NI-C201907-28	Tax Free Bonds	2012-14	1,836.78	8.46%	01-12-16	PAID	01-12-17	138.64	25-03-23
86	NEC20207-32	Tax Free Bonds	2012-14	1,711.48	8.71%	01-12-16	PAID	01-12-17	149.04	25-03-23
87	INB20207-34	Tax Free Bonds	2012-14	11.00	8.91%	01-12-16	PAID	01-12-17	1.14	26-03-23
88	INL20207-34	Tax Free Bonds	2012-14	47.02	9.07%	01-12-16	PAID	01-12-17	5.59	26-03-23
89	INF020207-34	Tax Free Bonds	2012-14	289.25	9.12%	01-12-16	PAID	01-12-17	33.55	22-03-24
90	NI-C20207-34	Tax Free Bonds	2012-14	130.00	9.44%	01-12-16	PAID	01-12-17	10.58	22-03-24
91	INF020207D2	Tax Free Bonds	2013-14	207.88	9.53%	01-12-16	PAID	01-12-17	23.53	23-03-25
92	INB20207D5	Tax Free Bonds	2013-14	292.53	9.88%	01-12-16	PAID	01-12-17	26.88	23-03-25
93	NEC20207D10	Tax Free Bonds	2013-14	24.63	10.13%	01-12-16	PAID	01-12-17	2.72	24-03-24
94	INF020207D3	Tax Free Bonds	2013-14	85.03	9.86%	01-12-16	PAID	01-12-17	7.03	24-03-24
95	NI-C20207D07	Tax Free Bonds	2013-14	321.00	11.39%	01-12-16	PAID	01-12-17	21.51	23-03-25
96	INEC20207D4	Tax Free Bonds	2013-14	51.25	9.85%	01-12-16	PAID	01-12-17	3.53	23-11-25
97	INF020207D7	Tax Free Bonds	2013-14	54.50	11.4%	01-12-16	PAID	01-12-17	3.53	23-11-25
98	INF020207D9	Tax Free Bonds	2013-14	133.54	11.39%	01-12-16	PAID	01-12-17	9.48	23-11-25
99	NI-C20207D88	Tax Free Bonds	2013-15	35.26	7.34%	01-12-16	PAID	01-12-17	2.28	25-11-30
100	INF020207D76	Tax Free Bonds	2013-15	200.11	7.18%	01-12-16	PAID	01-12-17	15.88	25-11-30
101	NEC20207D14	Tax Free Bonds	2013-15	196.01	7.47%	01-12-16	PAID	01-12-17	11.07	05-11-25
102	NI-C20207D90	Infrastructure Bonds Years with Annual Int. Option (W/o Buyback Option on 16-12-2018)	2013-15	4.06	9.15%	15-02-17	PAID	15-02-18	0.46	18-02-18
103	NI-C20207D15	Infrastructure Bonds Years with Annual Int. Option (With Buyback Option)	2013-15	1.06	9.95%	15-02-17	PAID	15-02-18	0.12	18-02-22
104	NEC20207D37	Infrastructure Bonds Years with Annual Int. Option (W/o Buyback Option)	2013-15	1.13	9.15%	15-02-17	PAID	15-02-18	0.13	15-02-22
105	INF020207D42	Infrastructure Bonds Years with Cumulative Int. Option (W/o Buyback Option)	2013-15	11.43	9.15%	NA	CUMULATIVE	NA	1.90	16-02-18
106	INF020207D78	Infrastructure Bonds Years with Cumulative Int. Option (Without Buyback Option)	2013-15	3.73	9.95%	NA	CUMULATIVE	NA	0.73	15-02-22



S.No.	ISIN No.	Bond Type	Bond Series	Amount Outstanding	Rate of Interest	Previous Due Date of Interest/ Principal Repayment	Whether the Same has been Paid or Not	Next Due Date for Interest Payment	₹ (In Crores)	
									Amount	Next Due Date for Principal Payment
107	INR0200000724	Infrastructure Bonds	REC Infrastructure Bonds 2011-12 (Option-VII) 10 Years with Cumulative Int. Option (Without Buyback Option)	2.63	8.15%	NA	CUMULATIVE	NA	0.40	15-02-27*
108	INR0203006510	Infrastructure Bonds	REC Infrastructure Bonds 2010-11 (Option-I) 10 Years with Annual Int. Option (With Buyback Option after Starting Years)	17.39	8.00%	31-03-17	PAID	31-03-18	1.39	31-03-18*
109	INR0208008500	Infrastructure Bonds	REC Infrastructure Bonds 2010-11 (Option-I) 10 Years with Annual Int. Option (Without Buyback Option)	1.61	8.10%	31-03-17	PAID	31-03-18	0.13	31-03-21
110	INR020000034	Infrastructure Bonds	REC Infrastructure Bonds 2010-11 (Option-I) 10 Years with Annual Int. Option (With Buyback Option after Starting Years)	68.54	8.20%	31-03-17	PAID	31-03-18	4.87	31-03-18*
111	INR0200008526	Infrastructure Bonds	REC Infrastructure Bonds 2010-11 (Option-I) 10 Years with Annual Int. Option (Without Buyback Option)	3.79	8.20%	31-03-17	PAID	31-03-18	0.31	31-03-21

* Cumulative interest till date of redemption will also be paid in addition to principal amount.

* The buy-back facility is available with the investors.



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Limited Review Report for the period ended 30 September 2017

The Board of Directors,
Rural Electrification Corporation Limited,
Core-IV, SCOPE Complex,
7, Lodi Road,
New Delhi 110 003.

We have reviewed the accompanying statement of Standalone unaudited financial results of Rural Electrification Corporation Limited for the period ended 30 September 2017. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of standalone unaudited financial results read with notes thereon, prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For G.S. Mathur & Co.
Chartered Accountants
Firm Regn No. 008744N

(S. C. Choudhary)
Partner
M. No. 082023



For A.R. & Co.
Chartered Accountants
Firm Regn No. 002744C

(Prayanshu Jain)
Partner
M. No. 530262



Place : New Delhi
Date : 6 November 2017